

JPRS 83555

26 May 1983

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2404



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

26 May 1983

EAST EUROPE REPORT
ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2404

CONTENTS

BULGARIA

- Economic Significance of Bulgaria's Danube Ports Examined
(Vasil Doykov; KORABOSTROENE/KORABOPLAVANE, No 1, 1983) 1
- Shortage of Spare Parts for Domestic Appliances Deplored
(STURSHEL, 1 Apr 83) 6

CZECHOSLOVAKIA

- Nykryn Contrasts Theory, Practice of Foreign Trade Relations
(Jaroslav Nykryn; ZAHNANICNI OBCHOD, No 2, 1983) 9
- Improved System of Planned Management in Agriculture Assessed
(Josef Martinek; HOSPODARSKE NOVINY, 15 Apr 83) 18

HUNGARY

- Mehes Sees Gains in Industrial Income Producing Potential
(Lajos Mehes; PENZUGYI SZEMLE, Mar 83) 27

POLAND

- Council of Ministers Debate on Economic Reform Reported
(Various sources, various dates) 45
- 'PAP' Report
Baka Press Conference
- Duties of Foreign Trade Minister Specified
(DZIENNIK USTAW, 25 Feb 83) 50
- Party, Government Economic Policymaking Bodies Debate
1983-1985 Plan
(Krzysztof Krauss; TRYBUNA LUDU, 1 Mar 83) 57

Production Plan Targets in 1983 Outlined (TRYBUNA LUDU, 28 Mar 83)	59
Increased Ferrous Metals Production, by Stanislaw Zielinski Anti-Import Production	
Reliability of Industrial Statistical Reporting Standards Questioned (Adam Zych; WIADOMOSCI STATYSTYCZNE, Feb 83)	63
Reform of Enterprise Profitability, Wage Funds Examined (Henryk Fiszal; ZYCIE GOSPODARCZE, 20 Feb 83)	70
Decree Listing Critical Industries by Sector Published (DZIENNIK USTAW, 22 Feb 83)	74
ROMANIA	
Technology Seen Important in Increasing Labor Productivity (Iosif Dumitru Bati; ERA SOCIALISTA, 10 Mar 83)	105
YUGOSLAVIA	
Oil Refinery Production in First Quarter of 1983 (EKONOMSKA POLITIKA, 11 Apr 83)	115
Data on Agricultural Equipment, Structure, Investments (EKONOMSKA POLITIKA, 21 Mar 83)	116
JAT Financial Status, Problems (EKONOMSKA POLITIKA, 21 Mar 83)	118
Small Business Sector's Difficult Progress (EKONOMSKA POLITIKA, 28 Mar 83)	120
Implementing 'Unified Criteria' on Foreign Exchange Use (PRIVREDNI PREGLED, 5 May 83)	129
Briefs	
Oil Imports, Production	130
Private Farm Income	130

ECONOMIC SIGNIFICANCE OF BULGARIA'S DANUBE PORTS EXAMINED

Varna KORABOSTROENE/KORABOPLAVANE in Bulgarian No 1, 1983 pp 24, 25

[Article by Vasil Doykov: "The Bulgarian Danube Ports"; the first article in a series of 12]

[Text] In the current year of 1983, under the heading "Subject of the Year" the editors will acquaint their readers with the Bulgarian ports along the Danube River. In 12 articles with illustrations a review will be made of their role and significance in the life of the Bulgarian people during the past and present.

Even far back in antiquity, the Danube River was used as a convenient waterway. The Romans considered the advantages of the river and employed it as the northern frontier of their empire. They created the so-called Danubius limes Romana (the Roman Danubian Frontier) and which included a string of castelli* stretching thousands of miles. Virtually all the present Danubian settlements date back to fortresses from this defensive frontier. Some of these fortresses also had significant port functions which is found in their name. The port settlements and the bases of the Roman river naval fleet in our lands were Sexaginta Pristis (Ruse) and Ratiaria (the village of Archar in Vidin Okrug). The name Ratiaria derives from the word "ratis" which means a vessel of ship, while the name Sexaginta Pristis (Prista) literally translates as "60 ships" (sexaginta is the number 60 while a pristis is a type of Greek rowed river fighting ship). A port with a similar name from those times was Centumcellae (100 chambers used for ships). At present, this is the city of Civitavecchia, some 60 km from Rome.

The Roman castelli and fleets on the Danube River had the task of driving off the attacks of barbarian tribes. The Roman state made an effort to expand navigation and to build ports which facilitated trade. The port of Dimum (the present Belene) performed important customs functions between Moesia and Dacia. In the region of Cataracts, in the Iron Gate, there are inscriptions cut in the rock such as "Tabula Trajana" as well as slabs from the times of Tiberius and Vespasian. They recall the stages of Danubian construction carried out under

*Fortresses.

Trajan when slaves pulled the ships upstream along hewn rock paths in the Kasan Narrows. For the care and expenditures on the waterway and ports, the Roman state exacted a certain tax for the right of navigation called the "Titulus navium." This was not collected as a source of income, but was employed solely to cover the expenditures made for the "common good."

The Bulgarians had their own regulations, but generally maintained the structure of navigation institutions and harbor activities established during the times when our lands were within the Roman and Byzantine empires. Many of the Bulgarian and Danubian towns arose on the site of Roman ones: Vidin from Bononia, Lom from Almus, Nikopol from Nikopolis, Svishtov from Novae, Tutrakan from Transmarisca, Silistra from Durostorum, and Ruse from Sexaginta Pristis. Around the sites of our smallest present ports were ancient settlements such as Dorticum at the mouth of the Timor River, Triamamium--Stulpishte, Tierna--Marten and Apiaria--Ryakhovo.

During the times of the first Bulgarian kingdom, the Danube for a long time was an interior river in a large stretch from Pannonia to its mouth. In the Fulden Annals, mention is made of the campaign of the Bulgarians during the time of Khan Omurtag along the banks of the Danube, Tisa and Drava, and the victories of their troops transported by ship. It is being more and more accepted that the medieval Bulgarian port of Vichina which figures in the sailing directions and chronicles was located to the east of Silistra, on the present Romanian island of Pecoul lui soare, where the remains of a large medieval port have been discovered.

During the First and Second Bulgarian Kingdoms, the Danube River played an important trade role. Dubrovnik trade colonies were established on the Danubian ports and these received privileges from the Bulgarian rulers. The Danubian fortress port of Vidin became the capital of the Vidin kingdom and in Nikopol King Ivan Shishman last repelled the raids of the Ottoman invaders. The Turks conquered the two shores of the river from Pannonia to the Black Sea and for several centuries established their own procedures for navigation, port activities and trade along this part of the Danube.

During the second half of the 18th Century, when the Ottoman Empire was already in decline, political rivalry commenced between Austria and Russia for hegemony in the Balkans. At the same time, the remaining Great Powers were seeking benefit from the use of the Danube River as an international waterway.

Austria which in 1830 established the First Imperial Privileged Navigation Company (DDSG) in Vienna actually went as far as our coast, establishing pier stations for their combined passenger-cargo ships in Vidin, Lom, Rakhovo (Oryakhovo), Somovit, Nikopol, Svishtov, Rushchuk, Tutrakan and Silistra. At that time in Rushchuk the Turkish authorities set up special services including a controller for trade questions and a general commandant for Danube customs. The Austrian, Russian and French consulates were moved from Turnovo to Ruschuk. The governor Mithad Pasha who had chosen Ruschuk as the center of the Tuna Vilaet (Danube Region) took care to create a good port and a local "Idarie and Nahrie" Navigation Company." In 1866, the rail line between Ruschuk and Varna went into operation and this was the first in our lands. Italian stone masons built the first small section of pier wall at the Ruschuk port.

In 1879, with the ships presented by liberator Russia and the equipment for a repair shop, in Ruse the Danube Flotilla was established as well as a naval unit with a headquarters in the large Danube town. Its commanders A. Ye. Konkeyevich and Z. P. Rozhdestvenskiy took steps to build a port in Ruse with a ship heeling yard and winter storage as well as in other Danube ports, but these were not built up to the end of the century for reasons of a financial and political nature.

The construction of the Bulgarian Danubian ports was halted during the Balkan War and World War I. The economic crisis after them did not permit their development and modernization. Due to the lack of a Bulgarian merchant and passenger fleet, for a long time our Danube ports were actually served by foreign ships.

Only in March 1935, when three Bulgarian passenger ships provided scheduled service along the line Ruse--Vidin--Ruse was the "River Coastal Navigation" established. Initially, this was a division of the Bulgarian State Railroads and from 31 May 1940, it legally became an independent enterprise known as the Bulgarian River Navigation Company.

The Bulgarian Danube fleet achieved its most significant development in the years of people's [communist] power and particularly after the April Plenum of the BCP Central Committee in 1956.

Due to the fact that the Danube is the only river in our world which flows through so many states--eight in number and across the Old World--it can rightly be considered as an "European river" and as the most international river in the world. It is called a world river because both in antiquity as well as in our days it has served as a convenient waterway for trade between the European nations and other parts of the world. Such functions are presently performed, for example, by the integrated Interlighter Enterprise with headquarters in Budapest and with a membership of the USSR, Hungary, Bulgaria and Czechoslovakia. It makes river--sea--river shipments from the Danube ports to ports in India, Pakistan, Vietnam and Kampuchea.

According to the Statistical Annual of the State Commission, among the Danubina nations, Bulgaria has the largest number of river ports. Large ports are considered to be those which have a cargo turnover of over 1 million tons. In individual years of the last decade, there have been between four and six of them. Ruse, Lom and Svishtov have been constantly among these while Vidin, Silistra and Somovit have been included in individual years or for a number of years. Oryakhovo and Tutrakan are in the group of small ports. Among the 35 major ports on the Danube River in 1966, our largest Danube port of Ruse ranked 11th, in 1969 it was 7th, and in 1972, it was in 3d place after the Soviet ports of Reni and Izmail. From 1974 to 1980, it was in 6th place after Reni, Izmail, Galati, Budapest and Linz.

At the port of Ruse there is a predominance of imports and a large portion of the raw materials are for industry in the city of Ruse. Exports are characteristic for the Lom port. Ores and metals make up the predominant share in its commodities, while for the port of Ruse the main commodities are coal and

equipment. A larger portion of the convoys for the eastern line are made up from Ruse operating between Ruse--Reni--Izmail--Ruse, while in Lom convoys are organized along the western line of Lom--Komarom--Bratislava--Vienna--Linz--Regensburg--Lom.



[Bulgarian Danube Ports]

Ruse is the headquarters of the Bulgarian River Navigation Company as well as shipbuilding and river ship repairs, the Bulgarian-Soviet transport company Dunaytrans, as well as a number of institutions and offices involved with the riverway: the Administration for the Maintenance of the Navigation Channel and the Study of the Danube River, the State Navigation Inspectorate, Inflat, Transimpeks, and others. There are also agencies of Interlighter and the navigation companies of the USSR, Czechoslovakia and Hungary. The port complex of Ruse includes the ports of Ruse West, Ruse East, Svishtov, Somovit, Silistra and Tutrakan. The port facilities of Lom include the ports of Lom, Vidin and Oryakhovo. The Lom port is the second after the Ruse in importance, both in terms of cargo turnover and the degree of mechanization.

Cargo turnover at the Vidin port has been growing significantly in recent years. This growth has been due particularly to the activities of two rail and car ferries, the "Bononia" and "Bdin" operating between Vidin and Calafat (Romania) as well as the opening up in 1980 of a special port (ro-ro terminal) of the International Motor Vehicle Transport SO [Economic Trust] for transporting trailers along the Vidin--Passau--Vidin line with new modern specialized catamaran ships, the "Khan Asparukh" and "Khan Tervel."

The port of Silistra has still unutilized reserves. It is the closest Bulgarian Danube port to the USSR and with the fewest cloudy days. It serves the large woodworking combine, and loads soda shipments from Devnya for the FRG. It has been built with new convenient pier walls and its rail link is not overloaded like the rail lines from Ruse, Lom and Vidin to the interior of the nation.

The ports of Oryakhovo and Tutrakan are of local importance. In certain regards Oryakhovo is a subsidiary port of Lom as it has assumed a portion of its cargo of ore, coal and wood. Several plant ports have also grown up such as the one at the chemical combine at Vidin, at the nuclear power plant near Kozloduy and the Svilozha Chemical Combine near Svishtov, at the Ruse TETs and the wood processing combine in Silistra.

Attention should also be paid to a number of smaller ports which can serve rationally for local shipments of bulk cargo. Many of these ports in the near past had significant operations, but their functions were taken over by motor transport, a thing which is in no way justified from the viewpoint of economic geography, particularly at present when liquid fuels are becoming ever-scarcer and more expensive. While previously there was local cargo traffic between our Danube ports, at present these operations have been stopped. Losses have arisen from the expensive shipment of consignments by motor vehicles and rail.

The problem of optimizing the number of Danube ports is not only one of their enlarging. Small ports also have their place in the hinterland and this must be found and assessed. In terms of passenger traffic, in the first group are the ports of Ruse, Vidin, Lom and Svistov; in the second: Oryakhovo, Tutrakan, Kozloduy, Nikopol and Somovit; in the third group, the piers of Archar, Tsibur, Ostrov, Vadin, Baykal, Zagrazhden, Ryakhovo, Maluk Preslavets, Popina and Krivina. The ports are no longer functioning along the local line of Ruse--Svishtov--Pirgovo, Stulpishte, Batin and Vardim, as well as the piers on the Vidin--Vrum line with many proposals being made for their resumption.

In addition to the present passenger fleet for express business voyages, the nation also needs a fleet for tourist travel. Before the end of the year, the Bulgarian River Navigation Company will receive two new passenger vessels for international tourism.

BIBLIOGRAPHY

1. Doykov, V., Botev, L., "Dunav i dunavskiyat voden put" [The Danube and the Danube Waterway], Sofia, 1980.
2. Doykov, V., "Ot Regensburg do Sulina" [From Regensburg to Sulina], Sofia, 1972.
3. Dakov, V., "Reka Dunav a neynoto stopansko znachenie za Bulgariya" [The Danube River and Its Economic Significance for Bulgaria], Sofia, 1964.
4. Penkov, I., "Dunav i bulgarskoto kraybrezhie" [The Danube and the Bulgarian Coast], Sofia, 1947.
5. Ishirkov, A., "The Danube and Our Danube Cities," IZV. NA BULGARSKOTO GEOGRAFSKO D-VO, No III, 1935.
6. Nedev, N., "Dunav ot gledishte na suvremennoto konventsionalno pravo" [The Danube from the Viewpoint of Modern Convention Law], Sofia, 1917.
7. Boev, R., "Initiatives and Plans for Port Construction on the Danube River After Liberation," KORABOSTROENE I KORABOPLAVANE, No 6, 1974.
8. "Statisticheskiy yezhegodnik Dunavskoy komissii" [Statistical Annual of the Danube Commission], Budapest, 1970, 1980.

10272

CSO: 2200/77

SHORTAGE OF SPARE PARTS FOR DOMESTIC APPLIANCES DEPLORED

Sofia STURSHEL in Bulgarian 1 Apr 33 p 1

[Text] We want to reassure you in advance: there are not enough spare parts, and there will not be enough. That is according to the plan. So do not get upset.

We are talking about spare parts for domestic appliances. Not for automobiles, which we do not even dare mention. We are talking about those parts which we need every day for our rather capricious domestic appliances, with which we have filled our homes, and which have not made our lives easier, but have gradually turned them into a real nightmare. And there will not be parts in sufficient quantity this year, since the economic trusts of the Ministry for Machine Building and Electronics--the Electric Power Industry Enterprise in Varna and Domestic Appliances in Plovdiv--must, according to the plan, provide barely two-thirds of the necessary parts for the commercial and service networks. And as the State Committee for Planning explained to us, they have "assigned" this plan based on their production, not on the production of the cooperating enterprises, which is also a gross violation of the Bulgarian State Standard of 2 Jan 76. That standard requires that an agreement be made between the commercial organizations and the spare parts producers for repairs under warranty and after the warranty expires--without distinguishing whether the articles were produced with components and parts from a plant, by means of cooperating, or through import. In other words, if you produce it, then you are required to provide spare parts for it.

But on the other hand, the reality of an "assigned" plan for spare parts is pretty dubious in the framework of the production possibilities of these trusts. And that doubt arises from the circumstances that, by their own wish, they have concluded agreements, over and above the plan, with the State Economic Trust--Wholesale Trade-Spare Parts and the Young Technician--for one million and 267 thousand leva. It will be interesting to see where they get those parts, after all, this is over and above their possibilities and capacities!

If the trusts within the system of the Ministry of Machine Building and Electronics disregard the Bulgarian State Standard, it is natural that the factory producers themselves will try to free themselves from their obligations. Such as the Anton Ivanov plant for refrigerators in Sofia,

which signed, for instance, an agreement with the State Economic Trust--Wholesale Trade-Spare Parts and the Young Technician--to deliver RPZP-24 relays and a vaporizer for a Frost-150, with the remark: "only if an agreement will be concluded for imports in sufficient quantity." And they fixed the condition that they would supply condensers for domestic refrigerators to repair shops if the non-functioning ones would be returned to the factory. In contradiction, of course, to Ordinance No 1047 of 1970 of the Ministry for Trade and Services, which requires that defective parts be returned to the customer. And if this factory-determined requirement is agreed to, the customers would be so nicely robbed at the service repair shops that they will not be able to see straight. That is, they would have to pay for parts that were neither damaged nor replaced. The Economic Combine--Light--in Sliven still refuses to sign an agreement for the needed three million four hundred thousand radio fuses--it proposes only one million. Producing them would not be profitable. But why do they not try to make it profitable, what stands in their way? It will hardly be more profitable to import them with hard currency!

That is one side of the question. The other is that the spare parts could be directed primarily to the service repair shops. In spite of Resolution No 88 of the Council of Ministers and, associated with it, the Provisional Nomenclature of the Ministry of Internal Trade and Public Affairs of 1981, which allots about 60 percent of the spare parts to stores. But as a rule, there are not any in the stores--they have them at the service centers. They have turned these service centers into a sort of monopoly. And they are like a trap for the citizens--step inside and God take pity on you! But the citizens are forced to go inside, despite the fact that many of them are more highly trained than the "masters" themselves--technicians, engineers, designers. Not to speak of the adherents to the do-it-yourself movement! And in our opinion that movement is not only limited to making cabinets with fiberboard panels. We will take the liberty to cite just one example here.

For years there have not been any bearings for drums of the Pearl washing machines. They have these bearings at the service centers. But if these bearings cost around six leva at the stores, and they can be installed on a do-it-yourself basis, then putting them in at the service centers comes to forty leva. Forty leva for about one half hour of work! As if this work were not done by masters with high school vocational training. In general the service centers work on the principle that they were not created to serve citizens with quality, but with the single goal of defrauding them as much as possible. Not to speak of the car service centers!

Besides this, those parts which are destined for the stores are often instead forwarded and stored in the Wholesale Trade warehouses. Especially the ones which are rarely sought after. And a deficit is created artificially. Since the stores do not make any profit by keeping them in their warehouses. It is a burden on their cash flow.

Even more serious is the question for spare parts of obsolete appliances. And those which are neither sought after nor can be scrapped. So they lie

in warehouses and weigh on cash flow. The percentage of these parts has reached significant proportions--around 20 percent, and they continue to accumulate, like avalanches. This in turn justifiably discourages merchants from buying the necessary quantity of spare parts from the producers, guided by the principle: "It is better not to have enough than to have some left over." Instead of the other way around.

The problem of imported spare parts is no less significant. We will say only that up to this moment barely 30 percent or so of the agreements for this importation have been concluded. And the first quarter of this year is already over!

In general there are a lot of questions related to spare parts, which have been tied like a knot around the citizen called consumer, around this same citizen, who has to wreck his nerves, through no fault of his own, has to waste time in stores, service centers, and so forth. But has he not already bought the appliance to ease his labor? In that case, of course, there is nothing you can do to help him, except to advise him to remain calm--there will not be enough spare parts.

Let us hope then that someone will bother, just a little, the people on whom the resolution of this problem depends.

12334

CSO: 2200/73

NYKRYN CONTRASTS THEORY, PRACTICE OF FOREIGN TRADE RELATIONS

Prague ZAHRANICNI OBCHOD in Czech No 2, 1983 p 1-4

[Article by Jaroslav Nykryn, assistant dean for scientific program, Institute of Economics, Prague: "Barriers and Bridges in the Relations between Theory and Practice in Foreign Trade"]

[Excerpt] Principal Tasks of Theory in the Chair of Foreign Trade

They may be divided into four sections: 1. Tasks in the development of the branch of science; 2. Tasks in the teaching process; 3. Tasks in the solution of practical problems; 4. Tasks in economic propaganda.

The tasks of theory in the development of a specific branch of science, namely, sectional economy of foreign trade, are increasingly more demanding. The scope of the quantitative and qualitative changes in the development of the external economic environment of the CSSR is continuously expanding and the speed of those changes accelerates, no matter whether they occur in the process of socialist economic integration or in relations with industrially advanced capitalist states or with the developing countries. Such changes gradually turned the once completely dominant traditional market into a broader complex of external economic relations of individual national economies where, next to conventional trade, factors such as specialization in production, international cooperation, scientific-technological collaborations, joint undertaking, etc., resulting in implementation of forms of nonconventional trade, are assuming increasingly more important place. Thus far, theory has failed to master this ongoing process of changes and at the same time practice could not, and cannot, wait for theory to catch up. This is one of the barriers between theory and practice. The Chair [of Foreign Trade Economy at the Institute of Economics in Prague] is not the only theoretical workplace that is still promoting mainly the theory of conventional trade rather than of external economic relations; it trains graduates for foreign trade but not for external economic relations; it guides aspiring scientists in a legitimate branch of science, the sectional economy of foreign trade, because the field of external economic relations has not been established. That is not meant as criticism, since we are aware of the demanding problems, on the one hand, and of the limited opportunities for their solution, on the other. This is only an outline of the further focus of our future activity.

There is a conflict between the fact that practice cannot wait for theoretical instruction, and an immediate need for speedy solution of relevant practical tasks, such as better export achievements of our economy, improvement of the forms of joint production in cooperation with foreign countries, utilization of hidden assets for objective priorities of our state monopoly not only in foreign trade but in the whole complex of external economic relations, improving fulfillment of transactions by organizations of foreign trade and many others; that conflict may be explained by the brief span of time for generalization which is one of the methods of scientific development that must proceed from practice. For instance, it is generally known that the Comprehensive Program of Socialist Economic Integration envisages the development of so-called direct relations between the authorities and economic organizations of the CEMA member states and that thus far the concept of such relations has not been fully clarified. It may be useful to develop within their framework some form of joint undertaking along the lines of international enterprises, such as Haldex. Lack of relevant practical experience (so far only three genuinely joint undertakings of this kind are underway in the CEMA countries) makes it difficult to use generalization as a tool of theory to point out the path of further development along this line of cooperation. In general terms: drawing of conclusions from insufficient data may lead to false generalizations and thus, to wrong theories.

Likewise, we may offer a number of additional examples of the barriers between theory and practice, sometimes real but often only artificial.

The teaching process combines training and education and here, as anywhere else, better methods should be sought again and again. Education must be continuously enriched and training of graduates upgraded by systematic confrontation of the practical and theoretical development of foreign trade, naturally, in the full context of the general system of external economic relations of the CSSR; thus, the graduates will be able to pursue their career as professionals in their field in the shortest possible time. In this respect, the Chair of Foreign Trade Economy still faces many tasks, the principal among them, in our opinion, is to make the course even more subjective, in other words, to guide the students in regular and correspondence courses so that they turn gradually from simple objects into active subjects of study. The bridge between theory and practice, i.e., the above-mentioned confrontation, may help overcome certain shortcomings in training and teaching, outdated stereotypes of the curriculum and forms of its didactic presentation.

If we stop at this one task of theory in education, then we cannot manage with more emphasis, for example, on the so-called activating forms of education, which seems a worldwide trend. It would mean admitting that active forms of education consist only of seminars and training sessions, while classical lectures represent the passive forms, which we regard as completely incorrect. Subjective curricula demand balancing and improving both forms; in our view, hidden assets exist

--in more thorough application of the results of our own and foreign research in the national economy and international economic relations, primarily of the

data gained from the study of the changes in international application of Czechoslovak economy;

--in desirable upgrading of the curricula in both above-mentioned forms and in the control of the course of study;

--in stepped-up introduction of teaching methods that lead the students to independent thinking and reasoning about relations (methods such as case study, among other things);

--in a more balanced enforcement of all three basic factors, i.e., knowledge, skill and habits, in the process of training and education; in our opinion, the two latter factors in particular appear somewhat in the background and must be developed in depth according to the data and the needs.

The experts associated with the Chair recognize these problems and follow various forms of cooperation with the practitioners; such forms are, for example, extramural lectures, guidance to students preparing dissertations, participation in divisional and comprehensive examinations, organization of special seminars, book reviews, coauthorship of textbooks, availability of professional materials and consultations, etc., all of them solid and reliable bridges linking practice with theory in foreign trade; in some instances, however, those bridges should be even broader. The Chair pays its dues to mutual cooperation mainly by organizing postgraduate courses for practicing professionals, conducting various types of training, providing methodological and direct teaching assistance to the Institute of Foreign Trade, including instruction of foreign trainees in our ministry. Some needless misunderstandings in mutually advantageous cooperation in this sector should be eliminated: let us mention one of them--the demand by certain personalists that the Chair train graduates capable of resolving immediately, for instance, the problem of the network of representatives in a certain organization of foreign trade in a certain territory, or in more general terms, graduates with very narrow specialization tailored to the needs of the enterprise at that particular moment.

When dealing with practical problems of our foreign trade or of our external economic relations, the theoretical involvement of the Chair may be expressed as follows:

--training of young scientists as candidates of science in the fields of economy of foreign trade and world economy, to be completed with the academic degree of Candidate of Economic Sciences; in addition to our own academics and foreign candidates, several managers of the CSSR Ministry of Foreign Trade availed themselves of this opportunity and every year four or five practitioners on the average earn this degree;

--the form of economic contracts on secondary economic activity (VHC) concerning agreement on the solution of certain partial problems (especially those limited to enterprises) in practical activities of the faculty of the Chair; this form of cooperation between theory and practice proved successful and there is no doubt that it provides one of those imaginary bridges; its

advantages are its expiendence, specificity of assignments, conditions--including deadlines--clearly defines by both sides, the character of actual outputs and their applicability, continuous control and finally, also cash incentives;

--participation of the Chair in partial official tasks of the State Program for Economic Research (SPEV) always planned for periods of 5 years.

We should like to add some notes especially on this last form. In our view, neither the size of the faculty, nor its main focus on teaching, nor its individual preconditions can ever turn the team of the Chair into an outstanding research center, such as, for example, the Research Institute for Foreign Trade or similar professional institutions. That does not mean that the Chair is conducting its research in an amateurish fashion, or that it cannot operate professionally. The crux of the problem is that

--the Chair must concentrate in the future, i.e., as early as 1986-1990, on less partial tasks, preferably on a single main task (as, for instance, the problem of efficient fulfillment of tasks by Czechoslovak foreign trade officials and organizations) with an opportunity for more comprehensive team work and better applicability of proposals for implementation;

--that the Chair focus mainly on the methodological aspect of approaches to the solution of so-called objective problems, for which it is theoretically better equipped, than on "comprehensive" solution of the complex of objective problems; naturally, this calls for removal of some barriers in cooperation with practice.

This problem may be resolved, for example, by explicit agreements with the representatives in practice about the topic of research in a given period; it should be specific, always timely and realistic in its outlook of the conditions set for the problem-solving teams where the faculty of the Chair to this day is the absolute majority and where practicing professionals are not adequately represented; among other things, it also would be useful to apply dissertations of candidates of science more intensively in economic practice; moreover, it is necessary to improve the research data base which still contains many untapped assets.

The fourth sector concerns tasks of economic propaganda where theory promoted by the Chair of Foreign Trade should be better employed. There is no need to explain the kind of tasks we mean, but we must note that the Chair owes much to practice in this sector. In this area barriers to cooperation with practice either do not exist or are imaginary. The problem is how better to coordinate practice with appropriate education which may be far more effective than we who are associated with the Chair may realize, and how to exert more effort in this respect.

More General Questions Concerning the Relations of Theory and Practice in Foreign Trade

In general and, thus, also in the sector of foreign trade as an integral part of socialist economy, the bridge connecting theory with practice rests on two pillars: one is practice itself as the only possible result of theoretical research, the other is practice as the only criterion by which any theory must be tested for accuracy. Therefore, practice plays two roles and theory only one.

These axioms may be illustrated with many activities in relations of theory and practice in our foreign trade which are so specific that respective employees in their daily routine would not even think of linking them with theory, or as the case may be, with science. Of course, it is important whether in their daily work they "unwittingly" follow a procedure corresponding with, or approaching, a correct theoretical method.

As an example we may use strategic research of the external economic environment of the CSSR and its partial task--research of needs which at a certain moment may lead to demands in foreign markets. This research has its own theory which is based precisely on the above-mentioned pillars. The most common mechanism of this kind of research is Marxist dialectics as the scientific research method stressing the internal unity as well as the antithetical character of the substance and the symptom. It is self-evident that the substance of the tendencies followed in the development of the needs in foreign markets is never in total conformity with market phenomena. If the substance and the phenomenon were in complete agreement, then science, or theory, would be redundant.

The above-mentioned case concerns a kind of research in "three acts": the point of departure is practice, i.e., the reality of foreign markets; theory is in the middle, and practice appears again at the end, this time as the criterion of accuracy of the results produced by research. Thus, there is a three-phase cycle--practice-theory-practice--which is always in motion and practically never ends. We may describe its first stage as investigative study which involves compilation of data and empirical information; many such data may immediately serve direct commercial operations (for example, instant prices, trade laws in force, customs charges, administrative regulations, etc.) though they do not serve the given strategic objective. A comprehensive picture of the needs developing in a certain market does not emerge at this stage. Some of the ascertained phenomena are contradictory, illogical; the impact of individual phenomena is untried; fundamental correlations between the phenomena are not determined, and the substance of the problem is not disclosed. The second stage, which we may call research, "applies" theory. The ascertained phenomena are classified, categorized, and their general laws and substance are sought. In this stage, scientific abstraction and other theoretical methods, such as induction, deduction, analysis, synthesis, comparison, generalization, etc., come under consideration. As a result, proposals and practical recommendations are made. In the third stage of application or verification, appropriate organs and organizations of foreign trade test the adopted recommendations for accuracy by practical application.

Of course, this whole cycle does not end after the completion of the third stage; it always goes on.

The experimental method holds a special place in research. Its application in social sciences or in social practice is far more complex than in experiments, for instance, in natural sciences or technical practice. Nevertheless, this method is applicable in foreign trade, which has been confirmed, after all, by the objectives of some experiments planned since early 1983 or later, especially in relation to production. This is another case of a certain form of assessment of the current practice in selected sectors of operation, in order to generalize (the second stage of the three-act process) the positive and negative experience and to draw conclusions for further practical application. In this instance, close cooperation of practice with theory again has a role; the more committed and determined such cooperation, the better it is for practice as well as for theory.

The tasks mentioned here and all other instances where theory is linked with practice, as we shall show, will always involve some danger of mutual dissociation which affects theory more than practice. Practice can always "survive" in one way or another a lack of theory and follow its own course, i.e., proceed by trial and error, pragmatically, from one case to another. The absence of practice as the basic point of departure for theory produces more harmful consequences than the other way around; in addition, it renders such "theory" redundant. Any theory without practice turns into a mere exercise in theorizing, scholasticism and speculation.

New Tasks for Theory

What new joint tasks are already emerging for theory and practice in our foreign trade during the current 5-year plan and for the future?

Some of them are really new, others have already been specified and must be processed further. Some are very timely, others display a more long-range, strategic character. We shall not enumerate them individually; instead, we shall try to outline the essence of these new tasks for theory and illustrate them on some examples.

An official long-range task includes a conceptual study entitled "Directions for the Further Development of the Planned Economic Management System in Terms of More Intensive Integration of Czechoslovak Economy in International Division of Labor," which was assigned to the Research Institute for Foreign Trade pursuant to CSSR Government Decision No 42/1981. The Chair of Foreign Trade at the Institute of Economics in Prague is cooperating in the solution of certain theoretical problems connected with this program which is focused mainly on the period of 1986-1990 and which represents a part of the top-priority research dealing with main directions for the further development of the system of planned national economic management assigned to the Council for Economic Research. It is based on four main directions of research as the points of view appearing in the foreground and stemming from objective needs of the national economy; they are:

- expeditious implementation of the achievements of the scientific-technological development;
- more intensive exploitation of capital assets;
- more intensive integration of the Czechoslovak economy in the international division of labor, and
- the necessity to stir the manufacturers' interest, responsibility and incentives to satisfy the needs of their consumers.

Strategically important is the solution of some other research tasks which have not been thus far officially defined or formalized; their solution unconditionally demands that the data obtained in practice in external economic relations be combined with theoretical approaches justified by science. To name at least some:

- the principles of long-term investment policies of the CEMA member states, particularly in terms of efficiently coordinated national interests and needs of our socialist community;
- the content and forms of direct economic relations developing among economic organs and organizations of the CEMA member states, especially in organizing joint production and scientific research;
- problems of efficiency and economic incentives of the CEMA member states in joint (bilateral or multilateral) procedures for the achievement of economic objectives in third markets, particularly in developing countries.

These and some other research tasks are of such a global and intrinsic character that they may be resolved only on an international scale, by joint forces of theory and practice of several CEMA countries.

By their nature research tasks dealing with the needs of our domestic economy, which are also important, belong partly to basic and partly to applied research, for example:

- study of terms and preconditions for more efficient enforcement of the state monopoly of foreign trade in order to upgrade the efficiency of exports in the Czechoslovak economy (this task may consist of several partial solutions, including cases of expeditious mobilization of some latent resources in commercial transactions, such as exploitation of combined trade, i.e., imports from the nonsocialist countries in support of Czechoslovak exports, leasing to obtain new technology, and in the form of so-called trading, etc.);
- formulation of the concept of long-range projections for the development of certain sectors of production in the context of the required structural changes in order to find foreign markets;
- the organization of a rational and simple system of economic incentives for manufacturing enterprises and organizations of foreign trade in order to expand the volume of the most profitable exports.

It is no simplification of the results achieved thus far by cooperation of economic theory with economic practice, or economic policymaking, if we conclude that when jointly solving the outlined strategic and tactical problems in our external economic relations, theory must return to the basic principles of socialist economic management in relation to the outlined outstanding

problems, such as the principle of democratic centralism, unity of economic and political management or the socialist system of rewards.

Commercial Know-How

At present there are some 300 specialized commercial companies, the so-called trading houses, operating in the capitalist part of Europe; together with commercial banks they are conducting certain kinds of profitable commercial transactions based on exploitation of the market situation. These organizations, which in their majority are engaged only in commerce, may in one transaction procure goods in market A and in turn, sell it in market B; in another, they buy export claims and guarantee that they will reimburse the original creditor, or they buy machinery and lease it to manufacturers who do not have at their disposal liquid assets to purchase it directly. They conduct other kinds of commercial transactions using their commercial know-how.

If we could find an exact Czech word for the term "commercial know-how," which may be translated as "knowing how," we would gladly use it, but "knowing how" does not mean anything to anyone. A better term would be "commercial knowledge" but in this context it lacks the element of skill because it means only knowledge. And because it is, after all, a generally accepted "technical term," we shall stick to "know-how."

If for some reason many randomly selected 10-member teams were to be represented in an international competition also including a Czechoslovak team composed of managers of our foreign trade organizations, and if the skills and knowledge of foreign trade were judged without prejudice, without any doubt our team would achieve a place of honor in the competition. On the average, our foreign trade employees demonstrate high standards, knowledge, experience and skills, and can be judged by any international criteria.

Why should we mention this fact?

Because in our country we have certain hidden assets of this knowledge and skill, which--with no need to copy anyone--are well worth applying for the benefit of our foreign trade and all our Czechoslovak economy. These assets have a completely noninvestment character, do not demand material inputs and work forces, and may be mobilized relatively fast. They consist of commercial know-how which cannot be patented or licensed, as in the case of technical and technological knowledge and skills; however, they prod us to avail ourselves of advantageous opportunities in the innermost area of our foreign-trade operations.

These are no abstract notions but opportunities which capitalist companies know very well how to exploit. The suggested examples which we list in a somewhat general form have been adopted from the current practice of companies that are, of course, advertising profusely many of their commercial services.

One of the areas where capitalist companies are using their commercial know-how involves reexport operations which are no commercial secret and which in some instances may be advantageous for all participating partners. The objectives

of reexport trading may vary and even the methods of such undertaking may differ (direct and indirect reexport, reexport to third markets, etc). In some cases reexport helps overcome the barriers of regular trade and as a factor stabilizing an unbalanced development of commercial relations, it may become an agent of internationalization in international trade.

Another sphere where capitalist businessmen and commercial banks are becoming increasingly more involved comprises many different kinds of leasing (particularly financial leasing as well as, for example, operational leasing). The development of leasing has already led to considerable specialization in commercial and bank operations in West Europe and elsewhere in the world, not to mention the United States where it originated. There are specialized leasing companies and a leasing market has emerged. With its help, manufacturers obtain, for instance, machinery and equipment, furnishing for whole factories, means of transportation, computer technology, etc., under conditions which they find advantageous even under the microscope of strict economic calculations.

Trading, parallel trade, profit operations, switch, barter, compensation, buy-back, counter purchasing, profit-sharing, factoring, forfeiting and other types of commercial and bank transactions which we in the CSSR lump together under the general, albeit imprecise term "special commercial operations" constitute another broad spectrum where the enterprising capitalist companies are moving successfully and often without using anything but their commercial know-how.

It is up to individual Czechoslovak foreign-trade organizations to what extent and where they want to become more involved in some of the transactions emerging from the substance of current international trade in capitalist markets, from exchange as such. Nobody can order them to take action, nobody will stop them, but of course, nobody will absolve them of their responsibility.

Naturally, close cooperation with manufacturing organizations is also imperative in some of the transactions we have mentioned, for example, leasing--whether passive or active. That applies also to transactions for improvement, transactions based on contract processing, and so on. Nevertheless, in many instances foreign-trade organizations may proceed exclusively as "independent" businessmen and operate exclusively in the market area.

An item that cannot be activated in the accounts of resources is commercial knowledge and skill, or commercial know-how, at the disposal of foreign-trade organizations. Though its value cannot be expressed in figures, the results of its thorough application may be expressed in figures.

9004

CSO: 2400/231

IMPROVED SYSTEM OF PLANNED MANAGEMENT IN AGRICULTURE ASSESSED

Prague HOSPODARSKE NOVINY in Czech 15 Apr 83 pp 1, 5

[Article by Eng Josef Martinek, candidate for doctor of science, deputy minister of agriculture and food for the CSR: "A Question of an Active Approach"]

[Text] The improved planned management system has been in effect in the agricultural sector since 1 January 1982. After a year of operation, then, one may attempt a preliminary evaluation of its effectiveness. Work is also proceeding currently on a more detailed analysis.

The principles which the improved system was designed to implement were divided into three groups, namely, measures in the field of planning, changes in economic mechanisms and measures in the area of economic incentives for employees.

Principles of the System

In the field of planning, the improved system is intended to provide for a long-term outlook in agricultural planning, based on long-range forecasts, concepts, and 5-year plans, with the latter specifying the volume and structure of human nutrition and the means for its assurance. Its further objective is to establish firmer relationships between primary agricultural production and the supplying and consuming organizations, sectors and branches which make up the agro-industrial complex, so that the inputs and outputs of agricultural production are provided more effectively and more in accordance with the public interest. It is essential to limit the role of directives in the planning process, with the objective of giving agricultural organizations latitude for the requisite development of their own initiative.

Alterations in economic mechanisms have occurred in both price and nonprice mechanisms. The focus of these changes has been to support required structural changes in plant and animal production, stimulate enterprises to raise agricultural production, and provide special incentives for the raising of cattle and sheep in particular, both of which depend on the domestic fodder base of agriculture. These measures are designed to assist the CSSR in reaching self-sufficiency in the production and consumption of grains, to exert pressure on the quality of agricultural products and on the efficiency of

production procedures. They should strengthen the khozraschet character of agricultural production, i.e., increase the potential for the formation of in-house resources to finance the production process, and assist in overcoming unjustified differences in managerial performance among individual enterprises and entire sectors.

Increasing employee economic incentives is intended to foster a greater utilization of the human factor in agricultural production and to stabilize the agricultural work force. The objective of the system is, first of all, to improve employee compensation in accordance with the merit principle, simplify compensation for work, and improve the principles of wage regulation. In addition, the system is intended to increase the growth rate of average earnings at state agricultural organizations, which are lagging behind the national average (thereby causing an unplanned exodus of employees from agricultural production, especially those working under extreme working conditions), and finally to strengthen agricultural work force stabilization, thereby also raising the level of skilled labor.

The Plan and Planning

A question still under discussion is whether the principle of long-range planning has been implemented. The answer is unambiguous. The 5-year plan was broken down and allocated down to the enterprise level and the enterprises have formulated their own 5-year plans. All of this constitutes the starting point for the 1983 plan, which does not include substantial changes from the objectives established for this year in the 5-year plan. Likewise, the starting point for the preparation of proposed 1984 plans will be the goals established by the 5-year plan. In other words, the 5-year plan represents the point of departure for both the 1983 and 1984 annual plans.

One must, however, return once again to some problems with the assurance of the public requirements formulated by the 5-year plan. In enterprise 5-year plans, there is often a tendency to meet goals through extensive development, i.e., by increasing livestock herds, increasing the area sown with fodder crops at the expense of that sown with grain, etc. The last tendency in particular presents serious dangers for the further proportional development of agricultural production.

A reduction in the administrative demands of planning work is very closely connected with the implementation of the long-range principle. The enterprise 5-year plans are already being submitted for approval in a substantially restricted form. Future periods will be governed by the principles of the improved system—a restriction in the scope of submitted data, especially at the plan proposal stage. In terms of the preparation of the 1984 plan, the ministry will request proposed plans only from those sectors which experienced unplanned deviations from 5-year plan objectives and from those units which did not meet their social requirements as established in the 5-year plan.

We cannot avoid, however, more detailed proposals, especially in the areas of capital asset replacement and the financial plan. This results from the prepared modifications in wholesale prices to take effect on 1 January 1984,

the consequences of which will have to be more closely documented. Even so, the data requested from these units will be reduced to the absolute minimum.

Within the improved system, a limitation on the role of directives was established specifically for the agricultural production and procurement sector. This concerns the well-known principle of two binding indicators of the state plan which may be expanded at the middle management level to a maximum of three additional binding indicators. In the preparation of the 1982 plan, several agricultural administrations violated this regulation and assigned to agricultural enterprises, as binding, tasks outside the range of indicators defined by the system. These shortcomings were for all practical purposes eliminated in the 1983 plan.

Nevertheless, regulations are being violated indirectly. Middle managers justify the need for planning by directive by the low efficiency of other forms and techniques of management. However, they do not test out these alternative managerial forms, for the most part, before making this argument. Such arguments must be based on a very detailed and objective weighing of the entire production process and the resulting justification of public requirements. Only on such a basis may an argument be presented for negotiating a plan with an agricultural enterprise. An inseparable component of managerial work is also the consistent monitoring of plan fulfillment and the drawing of conclusions from shortcomings which are discovered. And it is precisely in this phase that one often meets with the attempt "to objectivize" even the influences of subjective causes.

It is necessary to dwell on yet another aspect of the system of plan indicators. As I have already mentioned, the system has established by directive procurement targets for government inventories for grains and slaughter animals exclusive of poultry, and allowed middle managers to set an additional three binding indicators in the area of production and procurement. In other areas, the degree of obligatoriness is derived from the indicator model of the implementational state plan. But this means that in addition to five binding procurement indicators, agricultural enterprises are also assigned replacement, material-technical assurance, the financial plan, the plan for labor and wages including the personnel training plan, personal and social development, etc.

The system has brought changes in capital-investment planning, above all in the categorization of investments. In addition to increasing the limit of limited investment projects to Kcs 5 million of budgeted costs, these changes have consisted mainly of the introduction of special agricultural investment projects. These changes have shown themselves to be a plus. In the future, there must be a clearer link between these special agricultural projects and the formation of resources to finance them.

The improved system places much emphasis on the corresponding function of supplier-consumer relations. Nevertheless, a relatively large number of unresolved problems have existed, especially during plan formulation for the past year. On many occasions, supplier-consumer negotiations took place in the

well-worn grooves of past years. One of the serious shortcomings in all this is a low level of awareness of legal regulations at agricultural enterprises, above all of the State Planning Commission Arbitration Decree No 48/1980 concerning supplier-consumer relations.

The atmosphere surrounding supplier-consumer negotiations for 1983 was indicative of substantial changes, even though not all of the problems were resolved. Indications of progress included an improvement in the duration of contract negotiations for 1983 and a decline in the number of acrimonious negotiations. Nevertheless, the ministry will analyze this sector in detail prior to beginning preparations for the 1984 plan, in order to establish measures to eliminate the current shortcomings.

Counterplanning represents a distinct chapter. It has not set down nearly as deep roots in agriculture as in other sectors. There are a number of reasons for this. In addition to problems of a methodological character (particularly at JZD [Unified Agricultural Cooperative]), where wage regulation rules limit the potential influence of a counterplan on economic incentives), this is a result of several other influences. These are primarily a matter of the schedule for agreeing to counterplans, which according to generally valid laws is established as the time for approving plan proposals (the beginning of the fourth quarter), a time when an agricultural enterprise does not yet fully know what its base will be for the implementation of the plan for the following year (harvest has not been completed, etc.)

We are pushing for a shift of this schedule to the time of the approval of the economic plan for the enterprise. In addition, however, it is essential to overcome subjective resistance to the application of counterplanning in agricultural enterprises. This amounts, above all, to allaying fears and mistrust of higher bases for the upcoming year.

It has become evident that the most complex problem in planning is the achievement of a greater degree of proportionality in relations between agriculture and the supplier. This problem has a number of aspects. The basic issue is that of quantifying the relationship between inputs and outputs, the methodological clarification of procedures and the institutionalization of these ties within the framework of the agro-industrial complex. At the same time, however, it must be kept in mind that the planning principles within the agro-industrial complex were formulated at a time when some projects had already been approved for the Seventh 5-Year Plan, making it impossible to implement them to the full extent in any case.

At the same time, national economic potential remains a limiting factor. In this regard, it is essential to very carefully differentiate between the concepts of "a need" and "a requirement," because matters often lead to their being confused. The provision of a number of needs for agriculture requires long-term conceptual preparation in the supplier sectors. But this also implies a longer time period from the formulation of needs to the implementation of targeted projects.

Economy of Agricultural Enterprises

In the area of economic mechanisms, the agricultural sector has been provided with an improved system of balanced resources for strengthening the *khozraschet* character of agricultural organizations. These resources came primarily from the now-terminated prices of fodder mixtures, modifications of the wholesale prices of fuel and energy resources, from the one-time modification of wholesale prices in the national economy, as well as from state budget resources.

It was judged to be socially very appropriate to apply most of these resources to the area of price subsidies (88 percent). The price mechanism depends on the volume, mix and quality of actual products, and therefore best corresponds to a simplified relationship of mutual interest between society and an enterprise. In 1982, agricultural organizations in the CSR achieved the highest level of profits since 1974, and this represents a level of production and market receipts achieved by the agricultural sector under meteorologically relatively favorable conditions. Targets for profitability due solely to the improved system, nevertheless, were not achieved (the rate of return on investment was to amount to 10.3 percent, while the actual figures were 10.02 percent for JZD in the CSR and 5.7 percent for state farms). Even so, these favorable economic results are evident in increased in-house resource formation at agricultural enterprises and in increased income to the state budget in the form of increased tax levies on profits. The performance of North Bohemia Kraj, where last year agricultural enterprises met planned profit targets for the first time in the past 4 years and achieved an average profitability of 5.83 percent, is evidence of the active role of the system in overcoming unjustified differences between enterprises and regions.

The economic development of joint agricultural enterprises focusing on livestock raising has evoked a certain amount of discussion. Some enterprises, especially those raising swine, display a low level of economic performance when one does not include intervention in the price of fodder mixture. The fact, however, that this is a matter of only a few enterprises indicates that the causes do not lie solely in the profitability of swine feed-lot operations. The performance, for instance, of joint agricultural enterprises in East Bohemia Kraj may be evaluated as positive as of 1 January 1982, even after making adjustments for various economic measures. The base of the problem, then, lies elsewhere. In some enterprises there is an overdistribution of profits as early as the preproduction phase, which comes about by establishing prices which are too high for the procurement of piglets and fodder from member enterprises and as a result of poor management in the allocation of expenditures.

A newly introduced instrument, growth premiums, is playing a clearly positive role in enterprise economics. In 1982 in the CSR more resources were expended than originally planned (Kcs 222 million more) in premiums for overall increases in marketable production. This has been influenced by several temporary measures in this sector, primarily exceptional incentives to overfulfill procurement targets for slaughter animals. There have been comments concerning the administrative difficulties caused by this economic

mechanism. In 1982, these temporary measures were brought about predominantly by the recalculation of 1979 performance in terms of the new, unified accounting prices and by temporary measures for 1982 in the sector of slaughter animals. These projects will be eliminated in future years.

Regarding those enterprises which were severely penalized by the weather last year, it may be stated that this very low level of production will influence the base for the calculation of growth premiums for the remaining 3 years of the 5-year plan (by lowering the 3-year average), meaning that given normal operations for the remaining 3 years of the 5-year plan, the conditions should be created at these enterprises both for premiums and for the regaining of economic equilibrium.

The overall volume of differential payments was increased for organizations operating under inferior soil and economic conditions by roughly Kcs 1.2 billion. This came about both from the raising of actual procurement prices, which are the basis for granting these differential payments, and because the cattle, sheep and potatoes raised by these enterprises are accounted for at 140 percent of the prices received for them. This has improved the economics of enterprises in mountain and foothill regions.

Along with this new approach to the assuring of social needs in the area of agricultural products, incentives for the development of integrational relationships between the food industry and agricultural enterprises also gained in importance. The system reacts to this by creating the conditions for individual, supplementary production incentives within the framework of integrational relationships. The scope and format for these supplementary incentives, such as alternative financial participation within the framework of integrational relations, have been defined in three groupings, according to resources. In 1982, the first group was implemented, namely, integrational projects of a noninvestment character (as a rule in the form of contributions to agricultural enterprises to defray unforeseen costs, i.e., to compensate for losses incurred by agricultural enterprises), and the second group, which encompasses targeted resources for the development funds of VHJ [economic production units] of the food industry, designated for the financing of participation in integrational projects of an investment character, and which will be implemented in the form of contributions to agricultural enterprises according to the principles governing the merging of the resources of socialist organizations. The utilization of resources from the system reserves of the CSR Ministry of Agriculture and Food for purposes of supplementary price mechanisms will be applied primarily beginning in 1983, with overall resources for these purposes set at Kcs 347 million.

The intensification fund, from which financial resources in the form of investment subsidies and grants in the noninvestment area are provided primarily for the implementation of intensification programs at agricultural enterprises which have been backward and substandard for a long time, was insufficient in 1982, forcing intensification programs to conform themselves to the available resources. For 1983, the resources in this fund have been increased by almost one-third, a fact which is improving the situation substantially.

In the area of credit policy, despite an active approach by the State Bank, agricultural enterprises with intensification programs did not take advantage of the possibilities for deferring payments on long-term investment credits. This opportunity was afforded to 30 agricultural organizations in a total amount of Kcs 33 million. Likewise, little advantage was taken of the opportunity to receive credits at 1 percent below the standard rate for projects related to soil enrichment. Many agricultural enterprises depend too much on assistance from central financial sources and do not consider the economic advantages which credit instruments would provide to them more rapidly than is possible with resources tied to the annual implementation plans of the center.

Economic Incentives

Measures adopted to increase the efficiency of planned management in agriculture in the area of economic incentives for employees have required the updating of some legal regulations. These provide organizations with greater leeway for the implementing of those forms of wages and bonuses which are most effective for a specific sector and the conditions of a specific organization. This is true whether it is a question of various forms of mixed wages and bonuses, bonuses tied to work performance, the expansion of the possibility for implementing shared wages, or even wages paid in kind. Not all managerial employees have mastered the possibilities here or are able to utilize fully the potential of the system in this area.

At the same time, agricultural organizations have the authority, with the agreement of the ministry, to try out new, nontraditional forms of compensation appropriate to the conditions of primary agricultural production.

JZD have the possibility, based on the decision of a member meeting, to aggregate certain supplementary payments (such as those for afternoon shifts, night shifts, overtime, for work on Saturday and Sunday) to the variable component of wages, i.e., premiums and bonuses, thereby substantially simplifying compensation.

In the area of the wage system, new guidelines have been issued for the compensation of technical-managerial employees and workers, as well as a new listing of qualifications, functions, occupations and work responsibilities. Among the new provisions is the possibility of granting to the manager of an operational unit who manages manual workers directly the same advantages (promotion by one qualification category plus 10 percent differential) as those available to masters. For the agronomists, zoological technicians and mechanics of the State Breeding Enterprises JZD, Oseva, and the Sempra branch enterprise, as well as at the JZD and state farms entrusted with the propagation of seeds and seedlings or of breeding livestock for general application in agriculture, and who have consistently turned in superior work performance it is now possible, while maintaining established qualificational categories, to promote them to a category one level higher. The occupations of tractor driver-operator and breeder-operator have been introduced for graduates of 4-year courses of study, as well as an expansion of the possibilities for

the application of the occupation of agricultural crop raiser. At the same time, jobs have been added to the catalog which involve new technologies, services and the operation of new types of machinery and equipment.

To increase the personal economic incentives of managerial employees in the fulfillment of 5-year plan tasks, guidelines have been issued on the basis of which target bonuses have been established for the fulfillment of major objectives for the entire time period of the Seventh 5-Year Plan, along with target bonuses for solutions to the backwardness of agricultural enterprises, the fulfillment of intensification programs, and the achievement in the area of financial management of independence from state budget resources. Construction crews which carry out capital projects of larger scale are compensated in the third tariff category. These have also been joined, in view of the importance of trained workers to increased production, by specialists in plant production--experts in growing fruits, vegetables and hops, etc.

To increase the stability of the work force in livestock production and to place a value, for operational purposes, on necessary work procedures which may not be completely congenial to the employees, the current supplementary payments for two-shift operations have been joined by payments for split shifts as well. To maximize individual economic incentives for increased agricultural production, performance premiums have been instituted which organizations may pay from profits made on investments and the bonus fund, bearing in mind that up to 30 percent of these growth premiums are designated for a strengthening of this form of economic incentives.

At JZD, with the objective of simplifying the system of channeling resources to the area of compensation, a direct dependence has been implemented between the generation of bonuses and the growth of performance, one which corresponds to the biological character of production and at the same time expresses the public interest in assuring a maximum increase in agricultural production while maintaining relatively stable materials costs.

Only partial implementation was achieved in 1982 of the objective of gradually bringing the average earnings of employees at state agricultural organizations, and particularly state farms, into line with prevailing levels in the national economy.

Use the Potential of the System

Despite all efforts, some components of the improved system could not be even partially implemented in 1982. Among these was a resolution of the technique of counterplanning in such a way as to take account of the peculiarities of agricultural production, i.e., not basing it on a calendar, but on the managerial year in which agricultural production takes place. Moreover, regulations to further stabilize the agricultural work force were not updated. These are important because they promise a resolution of the problem of keeping employees in the basin districts, at outlying workplaces, in suburban areas, in the area of housing construction, etc.

The proposal of the CSR Ministry of Agriculture and Food to simplify the procedure for approving limits to overtime work above those established by the labor code can be passed only after the updating of the labor code. Federal Government Resolution No 7/1983 gave approval to the concept that the highest hourly limits for acceptable overtime work in a given year are not to include overtime work performed with the consent of the employee during seasonal work in agriculture, on the condition that the need for this work could not have been met by the rescheduling of worktime.

The Ministry of Agriculture and Food is attempting to solve all of these problems. In annual implementation plans for 1983 the function of supplier-consumer relations has been strengthened further, resources for the integrational projects of the food industry have been increased, as have resources in an intensification fund to aid backward and substandard organizations. Resources have also been increased for soil enrichment projects through the high-level linking of the State Water Management Fund and Czechoslovak State Bank credits; modifications have been made to legal insurance requirements, etc. The main condition for the effectiveness of the improved system is, however, a comprehension of its principles by employees in agriculture. The system is simply an opportunity. Whether or not it will be used depends on managerial and other employees of the enterprise sphere and of middle management. Much still remains to be done in the cultivation of an active approach to the principles of the system.

9276

CSO: 2400/247

MEHES SEES GAINS IN INDUSTRIAL INCOME PRODUCING POTENTIAL

Budapest PENZUGYI SZEMLE in Hungarian No 3, Mar 83 pp 163-174

[Article by Lajos Mehes, minister of industry: "Significant Accomplishments in Our Industrial Income Producing Potential"]

[Text] All of the evaluations regarding the implementation of last year's national economic plans have been heard, and following the meeting of our party's Central Committee the National Assembly enacted the 1983 national economic plan.

The economic process does not take cognizance of any year changes on the calendar.

This can be clearly demonstrated by recalling the key phrases of last year's managers' conferences and comparing them with the ones we can use now, on the threshold of 1983.

Let me reiterate some of the key phrases we heard last year:

- the acceleration of renewal,
- the development of business activities,
- rational management of scarce resources,
- the priority of equilibrium requirements,
- a greater need to increase exports and import savings,
- the rationalization of material and energy management,
- serving the interest of the working people in all areas of economic and social life.

All of these are still relevant and determinant phrases; there is no need to change them. Thus today we continue to hold that the most important thing is to consistently follow the road we have embarked on.

Before I discuss this in greater detail, first I would like to examine some of the questions concerning our complex economic relationships which have been addressed to the Ministry of Industry and, also incorporating my colleagues' ideas, to attempt to answer them.

*Presentation by Lajos Mehes, Minister of Industry, delivered at an industrial managers' conference on 5 Jan 1983 (abridged and edited text).

The first question I received from several manager comrades recently was whether there have been any changes in the views of the Ministry of Industry that would reflect my statements of last year or before, or the ones I had made at the industrial conference of the Hungarian Academy of Sciences.

As it is well known, the central theme of these statements was the need to place an emphasis on industry's importance in the national economy and to make the necessary commitment to it, and also the necessity to expedite the search for solutions to our technical, economic, personnel, organizational and other problems, as well as the modernization they require.

Certain comrades seem to feel, however, that during the past six months we have not placed the promised emphasis on the importance of industry and on the need to modernize it. Our answer to this criticism is not one of rejection, nor is it one that hides behind the shield of our national economy's difficult situation. We believe that in this respect we are also doing what we promised.

Outstanding Achievements

If there have been any shortcomings they have been in the following two areas:

--one is that we have not taken the necessary leadership role in disseminating information that would show the great accomplishments which, given today's international situation and its own--often backward--technical standards, Hungarian industry has been able to attain. The Ministry of Industry is also partly responsible for tolerating generalized condemnations at the expense of our industrial workers. For example, the comment that work discipline is poor and that "they are not doing their work properly" is heard the same way by workers--men and women alike--who earn their living literally by the "sweat of their brows," as by those who are really lazy.

Often we are similarly to blame for not differentiating properly between the performances of certain enterprises and the work of the various professions and branches. I would like to remedy some of these mistakes by mentioning a few areas:

Already in 1982, our coal industry produced 26 million tons of coal, even though the plan had not envisaged attainment of this level until 1985. 1.2 million tons of this was brought to the surface on off-days, which means that--on the average--each miner contributed 18 days off this year to meet the demand, despite geological and other kinds of technical difficulties. This effort, by the way, was also supported by the government in the form of wage preferences in the amount of 110 million forints.

In 1982, our machine industry was able to significantly increase its convertible exports. The almost \$950 million worth of exports exceeded the previous year's by more than \$100 million. The primary factor in bringing about these accomplishments in the machine industry has been the expanding exports of railroad cars (GANZ MAVAG), general machine-industry products

(the April 4 Machine Factory, the Hungarian Ship and Crane Factory), cables and lines (Hungarian Cable Works), telephone exchanges (Beloianisz Telecommunication Equipment Factory), illuminants and vacuum technical machinery (United Incandescent Works), and medical instruments and systems (MEDICOR). IKARUS built 13,300 buses, 1070 more than in the previous year, and has sold this surplus mostly on foreign markets.

Similarly outstanding has been the performance of our farm machine industry. Compared to previous years, there have been significantly less complaints from agriculture regarding domestic spare parts supplies.

There has been a definite improvement in domestic trade in the area of consumer goods supplies to the population; and what is perhaps even more important, most durable machine industry consumer goods have become more modern and more reliable. More energy-saving products are being produced, such as heat-retaining stoves by ELEKOTHERMAX of Papa, modular system TV sets by Orion and Videoton, electric engines by the United Electrical Machinery Factory, coal-heating and gas stoves by the Salgotarjan Stove Factory, boilers by the Hajdusag Industrial works and washing machines by ENERGOMAT.

There has been an increase in the role and significance of light-industry enterprises in the development of the buying climate. In 1982, there was a decline in imports which had to be compensated for from domestic production. It is true, however, that in spite of this there has been a drop in the volume of light industry's production because convertible exports have fallen short of their 1981 as well as their planned levels. Nevertheless, some specialized branches and enterprises have been able to show significant growth. Among those showing outstanding performance have been the Quality Shoe Factory, the Papa Textile Factory, the Flax Mill and Textile Enterprise, the Knit Goods Factory and the Sopron Garment Factory.

Also significant are industry's accomplishments in income production. Last year--minus the subsidies--industry contributed 8.5 billion forints more into the state budget than in the previous year. In 1982 again, most of the state budget's net revenues from enterprises and cooperations--106 billion of the 206 billion forints--came from industry. Other net payments amounted to 40 billion forints from commerce, 23 billion from services, 17 billion from transportation and communications, 11 billion from the construction industry and 8 billion from agriculture.

This is not to say that everything is going well in industry. It is indeed true, however, that there are many successful areas, and if we neglected to point them out and talked only about our weaknesses and problems we would be painting an unfairly one-sided picture of our industry. We will also make an even greater effort to call attention to our accomplishments and to give greater recognition and support to those doing good work. We believe, however, that the enterprises must also show more of their own good sides and accomplishments. And more importantly, even more successful work is needed that can speak for itself.

Another one of our shortcomings is that we have not made it adequately clear, that in our extremely tight investment situation the resources available to us must be concentrated on a few determinant areas pertaining to the modernization of our product structure, so that--deep--under the surface significant changes can begin to take place.

Let us start with our energy structure. Only 10 years have passed since the time when the predominant technical-economic view in Hungary was still based on the premise that oil and gas were the energy sources of the future. I would like to invite those who subscribed to this view to join us in accepting the opinion of the world's energy experts and to bravely admit once and for all: although with good intentions, they made a mistake. Today's Hungarian energy policy professed by the Ministry of Industry and our government is more sensible and can determine our course for decades.

It is our belief--taking into account our country's geological potentials and our changed international possibilities--that the most economical solution lies in the combined and complimentary use of our energy sources. And this is not meant to be a replica of an alchemist's witches' kitchen from olden times where they took a little of this, and a little of that in the hope of coming up with something. The main components of this combined energy policy are as follows:

- utilization of all energy types that can be found in, and economically extracted from Hungarian soil: coal, hydrocarbons, water, geothermal energy, etc., as well as energy obtainable from agricultural waste;
- the nuclear power plant built on Hungarian uranium;
- increased rational international cooperation; for example, we have a stake in having a section of the trans-European gas line built through our country.

Toward Rational Energy Movement

At the same time, however, our goal is to reduce investments for energy purposes while increasing the amount of funds earmarked for the processing industry. This is why we have concentrated significant resources on energy savings. Our rapidly materializing crack plant will help to promote more economic utilization of oil which is our most expensive energy source.

The introduction of converter steel manufacturing has resulted in modern and energy-saving metallurgical production.

One of our most important goals is to make material utilization more efficient. A separate investment credit fund has been set aside for this purpose and for the utilization of recycled raw materials and wastes to enhance rational material management.

Credit funds and credit preferences aimed at promoting export growth and import savings have helped to further our equilibrium-improvement goals. In the past few years the funds allocated to our centralized petrochemical development program have been spent mainly on expanding our synthetic material processing capacities, and our central development program aimed at augmenting

our pharmaceutical, pesticide and intermedia production--although to a lesser extent than envisioned in the original 5-year plan--has helped to boost our convertible exports.

The funds allocated for the expansion of microelectronic parts production have helped to make up for a decade of delays, and have served to enhance the penetration of microelectronics into industrial production and into virtually every sphere of everyday social life, which has significantly changed the entire field of telecommunications, the process control and automatization of production, management and administration, the mechanization of households, as well as environmental protection, therapeutics and scientific research.

It is also true, however, that industry's share of our national economy's extremely scarce investment capital resources is also insufficient. Industry's investment possibilities--even at current prices--have been more limited than in 1977. Therefore it is very important that the 54 to 56 million forints that may be expended in 1983 be spent on economical and efficient investments. We must also realize that it is not practical to expect development in all industrial activities; instead, we must continue in the future to be strictly selective in implementing our investment ideas in accordance with savings considerations and our national economic goals.

These examples and relationships clearly show that--even if examined on the macrolevels--our present industrial policy will lead to significant structural changes. There are developmental processes presently underway, which are soon, even if not immediately, expected to yield profitable results that are in accordance with the direction of our economic policy, given that our enterprises are able to take advantage of them.

In my judgment, under the present circumstances the smartest way for an enterprise to build for the future is by using the recession to improve its internal organization and by devoting its technical development capacities to the modernization of its products. We must prepare for the coming upturn with a line of new, competitive products which reflect market demands.

This year I have heard several questions expressing concern whether our socialist society has reached the end of its developmental capabilities. Another way this question has been put to me was whether the slowdown in the rate of development meant that something was coming to an end. I am convinced that it does not. It was precisely this issue which I was attempting to address a moment ago by pointing out that on the one hand, we must heed the commands of our times by closely adhering to our plans, while on the other, we must also prepare for the future.

Our Ongoing Efforts and Socialist Goals

There have been some questions addressed to the Ministry of Industry wondering how well our present efforts correspond to our socialist goals proclaimed several decades ago. These questions have focused on three socio-political problems:

- the relationship between large socialist enterprises and small and small and private businesses;
- the handling of low-efficiency, fund-deficient enterprises producing at a loss;
- our views regarding the appointment, evaluation and replacement of managers and cadre work.

As for the above questions, let us examine them one by one. Today we already know from international comparisons and from practical experiences that Hungarian industry is overcentralized. Why would we want to insist on preserving this? The only explanation one could offer is that we should be consistent in adhering to what we already laid down and established. Our mission, however, is to serve the people and not to protect a given form of organization. If serving the working people calls for something different, if it requires changes and improvement, then let that determine our course.

Does this mean that our commitment to insuring the technical and productive superiority of our large plants has weakened somewhat? We said it last year and now we are saying it again: it does not! Large plants have their own role in our economy. There is not a form of small operation that would have the productive and social advantages of large plants. These large plants, however, must themselves prove their advantage since it is not enough for that advantage to be merely one of principle and theory. In practice these plants must try to reach the level where they can take better advantage of the opportunities presented by the organizational, technical, business related and other benefits of large operations and, whenever possible, they should annex all smaller organizations which profitably compliment and serve their large production.

What do the various small business forms, i.e., the spreading of business work partnerships, small companies and small coops, and the broadening opportunities for private ventures indicate to us?

In industry, the most widespread forms of small business are intraenterprise business work partnerships, almost 1,000 of which have been formed throughout industry. Small groups of workers get together to undertake some auxiliary, usually not yet performed tasks or activities done by other enterprises for a certain amount of money.

This method has mobilized new forces, provided opportunities for new initiatives, brought surplus outputs and increased extra earnings. In many areas it has helped to alleviate the deficiencies of our background industry and services. In several enterprises it has even led to increased productivity in their main line of activity. Some--unfortunately not too many--business work partnerships have served to better meet popular needs.

The business work partnership operating at the Szekesfehervar Furniture Factory, for example, assembles and if necessary repairs furniture at the home. The Firearm and Gas Equipment Factory organized a business work partnership to accelerate the shift from city gas to natural gas and to repair home-heating equipment and water heaters. At the Danube Iron Works

business work partnerships have been formed to undertake the sorting of waste, chipping off and many other types of activities for which they had never been able to find the manpower or had had to hire expensive foreign help.

The business work partnership formed at the Lora plant of the Cotton Mill repairs machines. The one formed at the Bekas plant of the Cotton Textile Works performs electrical repairs. On weekends, the Hungarian Cloth Factory leases its spinning mill to a business work partnership.

At the same time, the spread of enterprise business work partnerships has brought to surface some of the deficiencies of our intra-enterprise incentive systems, including those of wage regulations. For the question can rightfully be asked why workers do not have the same stake in giving their most in their work time activities. The wages paid by enterprises give little recognition to better performance, and unfortunately they are still tailored to average abilities, effort and performance. In the business work partnerships, on the other hand, incomes depend on performance. In some places, however, the concept of business work partnerships has meant nothing more than a method of accounting for overtime at an advantage. I believe that these two types of income which seem to irritate so many people, and the inner tensions caused by the two kinds of performance may also have a favorable effect because they prove that better organization can lead to much greater productivity and because they may compel managers to give greater recognition to good work in the main lines of activity.

As all new initiatives, this one also has its harmful side effects and undesirable excesses. In some places business work partnerships provide unjustifiably high wages which are not in proportion with their surplus production. At the same time, there are cases where working overtime has been carried to excess and may lead to health impairments. In some cases people who have been left out of these business work partnerships complain that it is not fair. Hence this new form of business is also not something which we can consider solved, well-regulated and faultless. Still it would not be right to prevent it from expanding because I feel that its benefits many times outweigh its disadvantages. We must, however, continue--together--to search for ways to overcome these disadvantages.

So far--unfortunately--the forming of small businesses in the field of industry has been virtually exclusively the result of modernization in our background institutional system or of decentralization based on central decisions. Most notable this year has been the reorganization of GELKA. So far about 100 coops have been formed employing altogether 5,000 people. It is interesting to point out that almost half of these have been initiated by the citizens.

As for their size, even taken collectively they should not be overestimated, for they employ merely 1 percent of the total industrial workforce. Hence we believe that they cannot be expected to solve industry's problems, nor should they be viewed as a threat to the existing organizational system of industry. On the other hand, within the proper limits, they may evolve into very useful auxiliary forms which can stimulate economic efficiency.

A new feature of the legal regulations for small industry is that the local councils may issue trade licenses without individual evaluation to anyone who meets the conditions laid down in the statutory provisions. Thus market demands determine how many private artisans and what professions are needed in a given area and how many can make a living.

The role which private artisans play in shaping the population's living conditions and general mood is considerably greater than their modest proportion, and they are also able, even on the long run, to complement the activities of industrial enterprises, for example, by producing special products and parts, utilizing industrial waste materials and producing technical novelties.

In 1982, the number of private artisans increased by more than 5,000, exceeding 115,000 by the end of the year. The fact that there has not been a sudden growth in the number of private artisans is in accordance with our earlier expectations, since we believe that it is healthier for their number to flexibly adjust to actual market demands. In 1983 we expect significant increases especially in the number of people working on the side in addition to their regular jobs.

Having said this, let me say a few words about the other problem that has come up, namely the fate of losing, fund-deficient and low-efficiency enterprises.

In the capitalist countries enterprises operating at a loss are not uncommon. Although the state often plays a role in helping them overcome their losses, in general, if a capitalist factory is losing money it takes care of the problem by laying off half or two-thirds of its employees and by cutting back production to varying degrees for various lengths of time. It is forced to establish an equilibrium between its expenditures and receipt even if it means mass lay-offs. This solution was already well-known to Marx who used it as one of his criticisms of capitalism.

We are building a socialist society now. We have found, however, that we also have a considerable number of losing and especially low-efficiency enterprises. Despite a thorough search through Marxist literature, we have been unable to find a solution to this problem under socialist conditions. We must, however, find the answer somehow. While some of our solutions may not earn us praise from our great teachers, we feel that it is better to take resolute steps toward eliminating our deficits than to gaze into the void day-dreaming or to try to preserve losing operations at the expense of others.

The most effective way of combating unprofitable activities is through a series of enterprise-initiated measures. Maybe what is needed is to shut down a part of production, maybe the workforce should be trimmed, maybe organizational changes are required, or perhaps measures need to be taken with implications for the management. This can never be foreseen in advance and can only be decided in the course of taking care of the problem. It should be pointed out that it is the managers and the collective of the

given enterprise who are chiefly responsible for finding a solution to eliminate enterprises operating at a loss.

We have about 40 to 60 enterprises which are highly inefficient, short of funds and which may even be producing at a loss. These may affect 10 to 15 percent of our total workforce. We can believe me when I tell you that we do not have any simple answers and that it is not easy to make decisions regarding these problems. The principle consideration for us to keep in mind is: what will benefit our people as a whole the most.

After this Minister Lajos Mehes spoke about cadre work. Among other things he said the following:

We have already discussed the principles of manager selection before this group. We have pointed out that the leaders who today are the best suited for carrying out our increasingly complex economic tasks are those manager-type, multi-talented, flexibly thinking, open-minded people who dare to accept responsibility and challenge, and who are able to inspire their workers to act and also to rely on their actions; so these are the types of people we would like to appoint. Our requirements, therefore, are high.

We wish to apply these tougher requirements in naming our managers, and to those who fail to live up to them we intend--avoiding to cause any significant loss of prestige--to assign other responsibilities. Accordingly, in some areas we are introducing a competitive system to fill vacancies and our appointments will be made for a determined period of time. This may give us greater mobility and objectivity in selecting and replacing managers.

The decision has already been made to decentralize the authority to make appointments. In the future, of all the enterprise managers only the director--the top man--will be appointed by the minister or by the state secretaries and deputy ministers acting for him. The selection and hiring of deputy directors will be the responsibility of the enterprise directors themselves. This will increase their possibilities as well as their responsibilities in training and selecting future managers, and in establishing a responsible division of labor. We believe that we can expect every leader not only to take a personal role in appointing his deputies, but also to insure that there will be someone to take his place. We object when the departing leader has no, or no acceptable recommendations for his replacement.

Changes in Enterprise Management

Starting in 1983, still other new elements will be introduced into our enterprise management system. Their goal will be to increase enterprise independence and to enhance collective management. It should be emphasized, however, that these changes will not alter our existing system of ownership.

One change will be the broadening of the functions of supervisory committees; in many enterprises these committees will take over supervisory control from

from the ministry. Furthermore, they will also express opinions about the strategic plans of the enterprises without receiving decision-making authority.

Decision-making authority and responsibilities will continue to rest with the managers of the enterprise, and the supervisory committees will assist them in exercising these functions.

Still another change will be the expansion of the system of enterprise management councils, which may also be given decision-making authority. Members of these management councils will include: the enterprise managers, factory unit managers, the leading experts of the enterprise and workers' representatives. In those places where there is a management council with decision-making authority, it will make the decisions regarding strategic questions of management. This will give a greater decision-making role to those involved in the implementation process who will now have a greater stake and increased responsibilities in the execution of plans.

These changes, however, can only be effective if the enterprises' system of internal management is also modernized, if managers within the enterprise are given a greater role, if information is passed on to everyone involved in the making of decisions, and most importantly, if as many people as possible are allowed to take part in actual decision making.

Tasks of Industry for 1983

The 1983 national economic plan has put difficult tasks before us. These tasks in fact are not new. The 1-year plan has no new priorities. The guidelines laid down in the Sixth 5-Year Plan are still valid today, although in certain areas some of the quantitative features of the medium-term plan are already in need of correction. While it is not new, the strengthening of our national economy's external equilibrium has become a more clearly pronounced goal which has priority over all other tasks.

This year the most important tasks facing industry are the following:

- expanding convertible exports;
- increasing the proportion of domestic products in popular consumption, and reducing the convertible import content of industrial production;
- fulfilling our contractual obligations in the CEMA.

Let us examine these tasks without going into any of the details of the plan's data, since those are already known to our enterprises.

1. Last year convertible exports of industrial products were expected to increase by 6 percent according to the plan; instead, they decreased by 1 to 2 percent, but about \$25 to \$30 million. (Of course, we do not yet have any precise statistical data available, so these are only approximate figures.)

One of the factors contributing to this decline has been a drastic drop in the price of metallurgical, aluminum-industry and basic synthetic materials,

as well as of some light-industry products. We had anticipated an increase in export prices, and instead those prices declined in 1982. Due to a drop in market demand, quality requirements increased. Also contributing to the decline in our enterprise export earnings were currency devaluations in our important markets. In the FRG and in Sweden, where we export significant volumes of furniture and other light-industry products, the value of the local currencies have declined by 20 to 25 percent in relation to the dollar.

Naturally, another reason for this decline in exports has been the inability on the part of our enterprises to quickly and adequately balance the deterioration of the market situation by producing more efficient and better products. As a result, they have been squeezed out of some markets, while they have been unable to find and break into new ones. It is true that the crisis situation has also had a drastic impact on many Western industrial enterprises. Enterprises of such great traditions as AGRA, AEG, Thyssen and the American ALCOA and the Chrysler Motor Company have all had a decline in production or have begun to produce at a deficit. Under these circumstances we have nothing to be ashamed of when we can report an overall increase in industrial production and in our total ruble and non-ruble exports.

In order to increase exports, during the year we launched a so-called "equilibrium campaign." Under this campaign several enterprises have gone beyond their original plans, making additional export commitments for which--although only on a small scale--they have also been given financial support. Unfortunately, in terms of exports this campaign has only proved successful for some of our enterprises; overall, however, it has not been enough to ensure the attainment of our planned export targets. Still the equilibrium campaign was successful, but this was due to a reduction of imports.

Having evaluated the conclusions drawn from our lagging exports, this year we have modified our regulators to ensure that the new regulations allow greater possibilities for encouraging exports. Thus automatic wage preferences for a unit of export surpluses have been doubled and expanded to include the maintenance of large-volume export levels. This year there is a broader trade policy basis to help counterbalance the unfavorable conditions affecting certain businesses; price regulations have been eased somewhat so that the absorption of--otherwise tolerable--revenue losses is not hindered by an overly strict linking of foreign and domestic prices.

We hope that these changes will help us fulfill our plan: a 5 percent increase this year in our convertible exports of industrial products. This will not be an easy task. What is needed is to ensure that our enterprises do not let a single business opportunity slip away that can earn us foreign exchange. On the other hand, regardless of how difficult the conditions are that we are in, it is not in our interest to enter into export deals which do not result in foreign exchange earnings, or from which the sales returns do not even cover material and energy costs.

Concerning capacities, the planned increase in exports have not run into the kind of difficulties they have had to face on the market side. Therefore, using a variety of methods and working extra hard, our industrial enterprises with independent export rights should work with their respective marketing

organizations, others with our foreign trade enterprises in searching for new opportunities to expand their markets.

We would like our enterprises to constantly keep us informed of their possibilities and problems. It is our duty to take appropriate action when the elimination of obstacles to exports require central economic measures. This, however, requires close cooperation between our enterprises and our ministry.

The ministry also agrees that one of its most important tasks this year is to enhance industry's growing contribution to improving our equilibrium.

Special mention should be made of our cooperative industry, which has made a significant contribution--exactly 8 percent--to our industrial exports. We expect our cooperative industry to show even more rapid increases in production and convertible exports than state industry. We think this is possible because in addition to the cooperatives which already do considerable export business, some smaller units have also evolved which, although presently producing only to meet local demands, can, if only in small quantities, manufacture products which can be marketed even in convertible terms as exclusive products. We are convinced that with the help of our foreign trade enterprises we can find the markets to sell these products.

Even if there is a decline in popular demand, some cooperatives can utilize their productive capacities if they turn to background industrial activities or import-substituting work to help market their products.

2. In 1982 there was a significant, almost 10 to 12 percent decline in the convertible import content of industrial production compared to last year. There was a drop in the import utilization of every branch but the decrease was especially notable in metallurgy and in the synthetics industry.

Last year was a difficult test of the outstanding and harmonious relationship between our enterprises and the government. It tested our mutual bearing of the burdens, so it would be a mistake not to say something about it here. This issue has taken on special significance in connection with import management and has caused us considerable problems.

It is well known that in addition to the already mentioned marketing difficulties and the drastic price drops of certain export products, last year we also had other problems. The maneuverings of the international financial and banking world to impose a credit boycott on the socialist countries and even to withdraw their deposits from Hungarian banks have further compounded our payment problems. This forced us to suddenly reduce our imports because there was no other choice. The only other alternative would have been to increase our exports, but here we were not only unable to make fast changes but were not even able to secure the export growth that had originally been planned.

While last year's involuntary import management caused many problems for some enterprises, we must admit that in several instances we found that there was no justifiable reason to spend convertible currency.

It turned out that certain machines could also be purchased from the socialist countries and even from Hungarian factories. As for other items we found that their purchase could be postponed because we were able to replace them from existing stocks.

Although this strict import management has caused problems for some enterprises we must admit that it has significantly helped us in our efforts to preserve our solvency and to avoid rescheduling of our loans and the serious disadvantages it would entail.

In pursuing our policy of strict import management we will try to use more successful methods than last year. This year--as it is well known--a significant number of enterprises will receive foreign exchange allocations within which they themselves will have to establish their priorities regarding what they consider vital imports and what it is that can be substituted for or delayed. Hence this year we wish to rely much more on the self-control and self-motivation of our enterprises, and only as a last resort on the decisions of their central operational work groups. We believe that--although the allocations are quite tight--this will be a better and more effective method than when the central organs were deciding the priorities for all specific areas.

The 1983 plan forecasts a 1 to 2 percent growth in industrial production, but without an increase in convertible imports. This means that we must further reduce the import content of production.

To this end we must accelerate the organization of import-replacement production, primarily in the area of spare parts, components, semi-finished products and consumer goods. Our industrial and trade enterprises should work together to insure that no products are imported which can be produced here at home or which can also be imported from ruble-cleared sources.

Also aimed at promoting import savings will be the systematic implementation of our government's policy on materials and energy. Our material management program already began to show results last year. Producing a ton of PVC [polyvinyl chloride] took 4 percent, a ton of bulk-aluminum 2 percent and a ton of nitrogen fertilizers 4 percent less energy than the year before.

We cannot state, however, that everything has already been done everywhere to ensure that materials are handled in a significantly more economic manner. There is good reason to expect our enterprises to increase their efforts in their search for material-saving technologies and equipment. According to our material management program, in 1983 steps are to be taken to decrease industry's material quota fractions by 0.5 to 1 percent. This, however, will only be possible if every single enterprise does its share in implementing these programs.

The implementation of our government's energy management program is proceeding well, and 1982 went by without an increase in energy consumption. The material-using branches used 1 percent less, while the population used 3.5 percent more energy. We were able to save 370 kilotons of petroleum products

compared to the year before and therefore we did not have to purchase any oil from capitalist sources, even though the plan had allocated more than \$200 million for such expenses. These achievements have, in part, been due to energy rationalization campaigns, to an increase in domestic gas and coal production and to purchases of extra electric energy from the socialist countries.

Since the first unit of the PAKS Nuclear Power Plant was activated it has been continuously producing electric energy.

As it is well known, in the course of this capital construction we ran into countless difficulties and had to reschedule starting up the power plant. Recognition must be given to the builders of the Paks power plant as well as to the untiring and unselfish work of the power plant enterprise's workers who put the plant into operation which has made it possible for our national economy's greatest investment to produce 1.6 billion kWh of electricity this year alone.

We expect about a 1 percent increase in our national economy's 1983 energy source consumption compared to last year. To insure that this is sufficient both our economization and rationalization efforts must be effective. We plan to meet 51 percent of our needs from domestic consumption and 49 percent from imports. In order to preserve our balance of capitalist payments we once again are not planning to purchase energy sources from our convertible connections while at the same time we also wish to insure a steady supply of energy.

We can also promote import savings for the national economy by increasing the ratio of domestic products in popular consumption both in terms of quantity and selection according to demand. This, however, cannot be achieved at our present levels of selection and quality. Closer cooperation is needed with our domestic trade enterprises so that they can have a clearer concept of the selection needs for our enterprises and population. We also should not have to import any consumer goods which we can economically manufacture ourselves. I want to call special attention to the development of our foreign economic relations in the first quarter. During this period it will be an especially difficult task to preserve our continuous solvency. Imports must be brought in harmony with our exports. Hence during the first quarter we must try, on the one hand, to prevent any declines in exports, and on the other, to ensure that our enterprises act with moderation in timing their import needs, scheduling whatever they can for later periods in the year. As for taking our commercial credits, enterprises should--if they can-- do this already during the first quarter and they should also take advantage of all other available methods that will help alleviate their payment problems.

This year the plan calls for an 8 to 9 percent growth in industry's ruble-cleared exports, while expecting only a small increase in imports in this area. Pharmaceutical products, pesticides, machine-industry products--including synthetics-industry machines and equipment, picture tube, electric bulb and fluorescent-lamp producing machines and telephone exchanges--will account for most of this export growth. Light industry's overall

ruble-cleared exports are expected to decline somewhat, or at least to remain at their present levels. We must keep in mind that the quality and selection requirements of our CEMA markets are also changing, so our industrial enterprises will have to adjust to these as well.

On the Means to Improve Performance

The conditions of completing the tasks facing industry are not easy. Not only because we do not expect any improvements in the foreign market situation and because import cutbacks imply drastic structural changes, but also because we have a shortage of both capital resources and manpower. The only way industry will be able to carry out these tasks is by doing everything it can to improve its competitiveness, to further technical development and to make employment more efficient. In our opinion, these are the most important means that can help improve industrial performance.

One of the conditions for improving our competitiveness is to have a clear idea of our strengths and weaknesses in economic management. These are summed up in our price and expense ratios, but we need to have even more detailed approximations. This is where international comparisons can help. For a long time our enterprises were not making systematic international comparisons in order to be able to objectively assess and analyze their own performance. If they did compare, they usually did so within technical-technological parameters neglecting other factors--such as product usability, appearance, packaging, delivery deadlines, auxiliary services, price and payment conditions--even though these also play a role in determining competitiveness, production efficiency and marketability.

In recent years a favorable change has been taking place. Today most enterprises--although unfortunately not all--know that measuring progress in terms of their own earlier performances does not provide a characteristic enough picture of their situation and development.

The world market is a much stricter judge of their performance. Recognizing this they have begun to compile and analyze international comparisons and based on the results they have begun to take steps to improve their competitiveness.

Based on comparison, for example, the Weapons and Gas Equipment Factory has increased its plant security, reduced the noise level of its equipment and made part replacement easier. By doing so they have significantly increased the technical value of their gas convector, while at the same time increasing their productivity and reducing costs.

These comparative analyses by our enterprises have helped to point out weaknesses in their production, in those areas where development is vital. Thus, for example, the Iron and Steel Works of Csepel has found that its steel pipes were 5 to 10 percent, its transformers 30 percent and its vulcanizing machines 40 to 50 percent heavier than the products of capitalist enterprises. This is a waste of material, unnecessary work, not to mention the fact that it also has a negative effect on our product marketability.

They are also aware of this, so they have taken steps to overcome their shortcomings.

It takes 2 and 1/2 hours for the Bosch firm to assemble a refrigerator, while a Hungarian refrigerator unit produced on Bosch license requires 4 and 1/2 hours to put together.

At the Sabaria Shoe Factory the average output per person is 1,000 pairs of footwear per year, compared to an average level of 2,200 pairs in the Western European countries.

While these data are not favorable they prove an important fact in that our enterprises already know where they stand.

Our wisely and modernly thinking enterprises can draw important conclusions from comparative international analyses regarding what they can, and in fact must do to make their products competitive and thus to make their activities more economical and more effective. Naturally this does not mean that they should copy other countries, nor does it mean that others do everything better than our enterprises. It is not a disgrace, in fact it is a virtue to be able to recognize those areas where they outproduce--or have the ability to outproduce--our enterprises in an economic competition and what it is that must be done to prevent this.

Our enterprise equilibrium reports and annual self-evaluations will be out within the next few weeks. We expect them not merely to compare their economic achievements and development during the year to previous years data, but also to analyze them in terms of international comparison, and based on the results to determine their future tasks.

One of the conditions for staying in competition is to be able to quickly and flexibly adjust to market demands. Around the world this has been done by joining the international division of labor because in addition to helping to determine optimal production volumes, it can also mean joint research, joint technical development, joint marketing work, in other words it can mean joint benefits that may enhance economic management. Some of our enterprises, however, have taken little advantage of this. Of our industrial products only 5 percent have been produced in capitalist cooperation and barely more than 1 percent in socialist cooperation. As for joint enterprises, we have but a few capitalist partners and hardly any socialist partners. We were pleased in December to inaugurate the joint pharmaceutical enterprise of Biogal and the Swiss Zyma firm. We wish we had as many similar ventures as possible.

We can be sure that in the big race which characterizes industrial development the future belongs to those countries, industrial branches and enterprises which best appreciate and make the most use of human creativity, which are able to respond to social needs by way of technical development and which concentrate their resources on progressive areas.

Hungarian industry does have the mental capacity that can ensure more rapid progress. Our enterprises and institutions employ several tens of thousands of researchers and developers. The fact that we have 6 academicians, nearly 100 doctors of science and several hundred candidates and PhD's is a good indication of the quality of this intellectual base. They--together with the people professionally involved in technical development at our enterprises and institutions, the inventors and the innovators--constitute a creative body which with proper organization, incentives, appreciation and moral recognition can be mobilized to carry out these tasks at a high standard of quality. This is clearly demonstrated by the achievements attained by our researchers and developers in recent years. Just to mention a few of these as examples:

Let us take Cavinton, which has become the most successful product of our pharmaceutical and indeed our entire synthetics industry. This original drug, which can be competitively marketed on all markets, was developed by one of the research collectives of the Pharmaceutical Factory of Kobanya. Already in 1982 the drug's turnover exceeded 800 million forints, thus becoming one of the highest volume products made by our pharmaceutical industry.

The implementation of the Ozd Metallurgical Works' patented continuous casting process has meant an annual savings of 50 to 60 million forints, and the United Chemical Works' new esterization process has helped save 30 million forints a year. The Oroszlany Coal Mines' patented excavation-support process and its application has meant 30 million forints worth of surplus output for the enterprise.

As a result of our industrial research institutions' work nearly \$70 million worth of import substitutions have been realized annually, and ongoing efforts are expected to lead to almost \$110 million per year in import substitutions by 1985. Especially notable results have been achieved in this area by the Synthetic Materials Research Institute, the Electric Industry Research Institute, Hungarian Petroleum and Natural Gas Experimental Institute and the Pharmaceutical Research Institute. Our large pool of industrial developers and creators have come up with 450 inventions and 35,000 innovations per year resulting in calculable profits of more than 6 billion forints, as well as in non-calculable direct economic effects estimated at several times that amount.

These inventive and innovative activities, which constitute a significant intellectual base for our technical development, became even more lively in 1982 as indicated by the large number of submitted innovations and inventions adopted for use and by the more significant economic results they have led to. In the area of organization and control, the innovation movement has been characterized by systematic and close cooperation between the branch trade unions and our ministry.

We are confident that this hopefully expanding innovation movement will yield even greater results than before to help us fulfill our tasks and achieve our

We need to make more definite progress in seeking out, accepting, adopting and disseminating already existing foreign and domestic intellectual products (licences, innovations). In the past 1 or 2 years there has been a sudden slowdown in this area. In order to reward the profitable adoption of licenses and at the same time, to provide incentives for their future adaptation, at the end of 1982 we awarded a total of 700,000 forints to the managers and development collectives of 19 enterprises. These included the Kecskemet Agricultural Machinery Manufacturing and Service Enterprise, which took in over 200 million forints after adopting various licenses; the Nitrochemical Industrial Plants, which saved several millions of dollars in foreign exchange with the help of purchased production processes, and the Kobanya Pharmaceutical Factory, which sold almost \$4 million worth of exports in 1982.

After this Minister Lajos Mehes spoke about the question of manpower and wage management. Among other things he pointed out:

We believe that wage regulations have finally undergone some beneficial changes. For these to become effective means of improving enterprise performance, however, there will also have to be some changes in our enterprises' internal incentive system that will ensure a close connection between performance and personal earnings.

In 1982 industrial profits declined. This was due mainly to a decline in our rate of production and to a drop in foreign market prices in many areas, but also to the fact that because of lower enterprise profits, caused in part by regulatory changes, there was a significant increase in our budgetary payments.

For 1983--despite the continued moderating effect this year of our financial measures--the planning projections forecast an almost 12 percent increase in profits. Attainment of this goal will depend primarily on how dynamically our machine industry, which produces 40 percent of industrial profits is able to increase its output. Compared to last year--according to the plan--there will also be increases in mining, electric energy industry, chemical industry, light industry and other industrial profits. In metallurgy we expect a decline.

Increasing profitability requires great effort, but it also benefits the enterprises, for it means increased individual earnings.

The presentation by Minister of Industry Lajos Mehes provided considerable food for thought for our branch managers. PENZUGYI SZEMLE will refer back to it in some of its future articles.

9379

CSO: 2500/223

COUNCIL OF MINISTERS DEBATE ON ECONOMIC REFORM REPORTED

'PAP' Report

Warsaw TRYBUNA LUDU in Polish 19-20 Mar 83 pp 1, 2

[Text] The government press bureau reports that on 18 March a Council of Ministers meeting took place, at which an assessment was made of the economic reform after the first year since its institution. A report on the institution and consequences of the reform was presented by the government's representative on the economic reform.

Professor Czeslaw Bobrowski, who presented the opinion of the Economic Consultative Council, participated in the government meeting.

During a lively debate, a thorough analysis was given of the process of instituting the reform, and at the same time suggestions for the future were discussed. It was stated that the reconstruction of the economy's operating principles that has been undertaken considerably surpasses all previous changes of the economic system undertaken, in its scale and in the depth of the transformations. Initially, the reform took place under extremely difficult conditions. The particularly difficult economic crisis, the accompanying decline in production and real incomes, the market imbalance, the considerable limitations on imports forced by the breakdown in payment possibilities, and the restrictions and sanctions imposed by the U.S. and certain other capitalist countries, are making the process of instituting the economic reform exceptionally difficult. In certain sectors of the economy, it is still not possible to apply normal rules for buying and selling and to utilize definite mechanisms. In spite of the fundamental aim of the reform, it has periodically been necessary to maintain a rigorous distribution of raw and other materials, and to maintain price controls on several market goods.

In spite of these difficulties, the reform, in its basic aims, has passed the test, and there is no turning back from it. The hopes for bringing the country out of the crisis and for ensuring a normal pace of development are tied to the reconstruction of the economic mechanisms.

There can be no doubt that the reform has become an essential factor consolidating activities aimed at restoring the economy and that it has at the same time initiated beneficial processes in the activities of management personnel.

The results achieved in 1982 also confirm the correctness of deciding to institute the reform. There has been a gradual improvement in the sphere of industrial production, with a decline in employment of 343,200. In foreign trade, for the first time in many years, we obtained a positive turnover balance. This surplus was obtained in turnover with the capitalist countries and also with certain socialist countries. A negative balance is being maintained primarily in turnover with the Soviet Union, which is providing us with far-reaching economic assistance.

The surpluses obtained in the balance of trade are strengthening Poland's position as a trustworthy debtor for the credits that have been concluded.

The economic reform is nevertheless encountering social criticism, mainly in connection with the persisting inflationary trends. This criticism is the result of an insufficient understanding of economic phenomena by a part of public opinion, since inflation and the decline in real incomes are associated with the crisis situation; on the other hand, the economic solutions undertaken within the framework of the reform will alleviate the effects of the crisis. This is because there has been an improvement in the ratio between the growth rate of people's monetary resources and the growth rate in the deliveries of market products. The direct cause of the surplus in people's monetary incomes over the size of the deliveries of goods is the violation of the reform's principles in the sector of the incentive functions of emoluments, and the considerable increase in the state's welfare functions. The reform's operation in 1982 showed significant achievements in expanding the autonomy and self-financing of enterprises. The September 1981 law on state enterprises made it possible for enterprises to elicit initiative, especially in formulating production program, selecting assortments, initiating new production tasks, lowering prime costs, and managing themselves in terms of cost effectiveness. A considerable number of enterprises, however, did not make full use of these possibilities. Worker self-management units are already active in the majority of enterprises, although it is felt that the interest of some work forces in self-management activities is still relatively limited. Enterprise self-financing is being applied on a broad scale. The new economic mechanisms have exposed the financial weakness of over 800 enterprises. They were in great difficulty after the principles of the reform were put into effect. The threatened enterprises have worked out programs for their economic restoration, and made organizational changes, and in the majority of cases, are meeting the requirements arising from the principle of self-financing.

The Council of Ministers pointed out the need to supplement the report, especially in the direction of a critical assessment of the shortcomings. Some partial views contained in the report require additional supplementary research and a confrontation with practice. For example, there was no examination on a general scale of the source of profits and the method for distributing them. The decision-making centers at all levels of the economy should possess increasingly better economic information, enabling them to make operationally correct decisions and make predictions about economic processes.

Successful institution of the reform does not depend only on legal regulations and administrative activities. All working people are interested in the success of the reform. A special role in ensuring its effectiveness belongs to worker self-management units. As organs of state enterprises, they should be just as concerned as the management with full utilization of economic mechanisms to achieve an increase in production, an improvement in quality, and an improvement in labor productivity. The mechanisms of the reform correctly utilized, will be crucial to the implementation and results of the government's anti-inflation program.

The Council of Ministers also recommended improving the relationship between the economic ministries, which represent the national interest in carrying out economic policy, and the state enterprises. It was stated that the reform has not yet elicited sufficient incentives to transform the administration of enterprises. This administration is still excessively large and bureaucratized.

Pointing out the need for ensuring the stability of the chief aims of the reform during the process of its being instituted, the Council of Ministers ordered that essential and obvious changes and additions be made, in mid-stream, so to speak, so that the reform can achieve the outlined goals more quickly. More fundamental changes should be worked out during this half of the year.

A report on the institution and consequences of the economic reform in 1982 will be submitted to the Polish Sejm. It will also be made public, and will be the subject of a general discussion.

Baka Press Conference

Warsaw ZYCIE WARSZAWY in Polish 21 Mar 83 pp 1, 2

[Article by (Ch): "The Reform--the Hopes and the Realities"]

[Text] (Our own information). The discussion in the Council of Ministers of the report on the institution and results of the economic reform lasted for many hours and was even abundant in dramatic clashes. That is how the government's representative for the problem of the economic reform, Professor Wladyslaw Baka, began his meeting with the journalists.

The press conference organized on 19 March in the government press office was one of the most interesting presentations on economic subjects that I have attended recently in this area. This was influenced not only by the attractive presentation of important information, but also by the fact that these were extremely essential matters in which everyone today must necessarily be interested.

This is because we are associating our hopes for breaking out of the crisis, arriving at a normal market, and gradually making up the losses in our standard of living with the economic reform. Thus, let us see what results the reform is yielding in practice, and whether it has been implemented at all--something that critics of the extremist wing doubt. The opponents of changes then attack in their turn--why are we even proceeding to change the system for the economy's operation at all in the kind of situation we are in?

Since recently there have been many attacks on the reform from various sides, and rumors have even been circulated that in view of the intensification of the market imbalance we will have to face a freeze on prices and wages, and thus the suspension of certain economic mechanisms, an explanation and particularly an official commentary is extremely essential.

At first, the tone of Minister Baka's relation of the government meeting was more optimistic than the official communique that appeared in the press on the same day. Later, however, as he was responding to the journalists' questions, it was shown that this optimism has to do with a general assessment, although, as the saying goes, there is a hidden devil in the details, which are presented in realistic colors, thus neither in rosy nor completely black ones.

The results inspire optimism, Minister Baka stated, not because there is a need for optimism, but simply because this is the assessment of the institution of the reform. Its solutions are being verified in practice, although they are not yielding positive results everywhere and in all areas. Nevertheless, the general results are promising and demonstrate that we are on the right track.

The conclusion sounded as follows: there is no turning back from the economic reform. It is necessary to deny the rumors that certain mechanisms of the economic reform will be withdrawn. This does not mean that essential modifications will not be made in individual solutions, depending on changing conditions.

In Professor Baka's opinion, the most important thing is what is already occurring, i.e. the beginning of a transformation in the attitude of cadres, which have recognized the possibilities provided by the reform and are beginning, though not everywhere, to follow up on these possibilities.

The Council of Ministers adopted a decision that by the end of June, a review is to be made of all of the mechanisms and solutions of the economic reform. In social consultation, primarily under the supervision of the Economic Reform Commission as the originator, essential modifications are to be made in all of the individual solutions that have not passed the test in practice.

One example is the problem of employment. The reform was approached with an erroneous diagnosis that we were threatened by massive unemployment. As a result, a decision was made to institute earlier transitions to pensions and maternity leaves, and thus between 300,000 and 500,000 of the most experienced workers left. Also, the economic reform mechanisms themselves have not brought about a rationalization of employment. There have also not been any positive results with respect to compelling good product quality. Certain systemic weaknesses and shortcomings have also occurred with respect to the

process of income formation. It is necessary to strengthen the economic system. The problem of production costs, which must be clear and intelligible to everyone, has to be straightened out.

As Professor Baka put it, the economic imbalance, especially inflation, is a mortal threat to the reform. Thus a great deal of significance is also being ascribed to the anti-inflation program, the solutions of which have been linked to the reform mechanisms.

The next problem is the efficiency of the administration. This is a fundamental condition for the success of the reform.

Throughout the entire process, it is necessary to improve the early warning system, and thus the early arrival of signals so that a red light will be lit in time to show where a deviation from the norm is occurring.

In answer to the question of what guarantees there are that in the future executive acts will be issued in accordance with the reform solutions and, in general, what the guarantees are for the essential agreement between the current economic policy and the legally binding system of operation, Minister Baka stated that the guarantees have to be created in practice. The political role in carrying out the reform process to its completion has been declared many times. At present, such a practical move of confirmation would be the possibility, which has been considered, of creating within the Ministry of Justice a special group that would investigate all ministerial orders before their issue to see whether they are in agreement with the principles of the reform. Just the confirmation of such agreement with the law in force would determine their being put into effect. Also discussed was a further reorganization of the central level of administration, with respect to which the basic issue is working out a system of operation and mutual jurisdictions for the branch and functional ministries.

Minister Baka cited the opinion of General Jaruzelski that 1982 was the year of initiation of the process of rebuilding the system of economic operation. The year 1983 will be the year of a great test as to whether it will be the year of the turning point.

9909

CSO: 2600/636

DUTIES OF FOREIGN TRADE MINISTER SPECIFIED

Warsaw DZIENNIK USTAW in Polish No 10, 25 Feb 83 pp 149-151

/Text/ Decree of the Council of Ministers of 24 January 1983, concerning the detailed scope of authority of the minister of foreign trade

Based upon article 5 par. 1 of the Act of 3 July 1981 creating the office of the minister of foreign trade (Dz.U. No 17 par 80) it is hereby decreed as follows:

Par. 1. The scope of authority of the minister of foreign trade encompasses:

- 1) exercising in the name of the state of the monopoly of foreign trade,
- 2) all matters of foreign trade and of connected economic cooperation foreign countries,
- 3) matters of tariffs.

Par. 2. The task of the minister of foreign trade is to conduct activities which have for their objective efficient functioning and development of foreign trade and of connected with it economic cooperation corresponding to social and economic needs, in accordance with the policy of the state and including setting of direction for activities undertaken within the scope defined in par. 1.

Par. 3. Within the scope of forecasting, programming and planning the development of the economy and of foreign trade and of connected with it economic cooperation with foreign countries the minister of foreign trade:

- 1) cooperates with the Planning Commission attached to the Council of Ministers and with other chief organs of state administration within the purview of:
 - a) preparing of proposed long-range plans, national socioeconomic plans, and central annual plans,
 - b) determining of principles and directions of investment policy pertaining to investments which directly or indirectly influence the balance of payments situation of the state,
 - c) determining directions for economic cooperation with foreign countries including the field of specialization and of industrial cooperation,

- d) assignments connected with coordination of plans which fall within the scope of CEMA,
 - e) determining principles for foreign trade turnover,
 - f) preparing proposed for payments turnover with foreign countries in regard to goods entering foreign trade,
- 2) prepares proposed multiannual and annual plans for foreign trade in real terms,
 - 3) prepares forecasts of needs for transporting goods entering foreign trade and cooperates with appropriate ministers in defining the objectives regarding the development and usage of means of transport involved in moving goods entering foreign trade,
 - 4) conducts analyses of supply and demand and of price movements in foreign markets and prepares forecasts in this regard,
 - 5) prepares planning and forecasting data for use by foreign trade establishments and by other units which participate in generating foreign trade turnover and in economic cooperation with foreign countries,
 - 6) prepares principles and proposals for standardization of documents and of systems of record keeping in foreign trade transactions and cooperates with the Planning Commission attached to the Council of Ministers and with the Central Statistical Office in regard to classification, nomenclature, and codes used in planning and in foreign statistics,
 - 7) prepares analyses of actual realization of foreign trade turnover from the point of view of assumptions underlying plans and forecasts and prepares as needed motions for correcting arising variances and disproportions.

Par. 4. Within the purview of influencing the development of relations with foreign countries in the field of foreign trade and of connected economic cooperation the minister of foreign trade:

- 1) establishes principles and assumptions for trade policy,
- 2) prepares forecasts and programs of trade exchange and of connected with it economic cooperation with individual countries and with groups of countries,
- 3) in accordance with procedures defined in separate regulations conducts activities within the scope of negotiating international agreements pertaining to foreign trade and to connected with it economic cooperation; in this purview the minister of foreign trade acts in agreement with the minister of foreign affairs and with other chief organs of state administration,
- 4) exercises control over implementation of international agreements pertaining to foreign trade and to connected economic cooperation with foreign countries.

5) participates in negotiating international agreements involving foreign trade other than those defined in par. 3,

6) in agreement with the minister of foreign affairs represents the state in international organizations which are active in the field of foreign trade and which formulate principles of international trade policy and of connected economic cooperation,

7) prepares government position for meetings of mixed commissions for foreign trade and for connected with it economic cooperation and chairs Polish delegations taking part in those meetings or participates in the works of delegations chaired by other members of government,

8) represents before the chief organs of state administration of other countries the interests of the Polish People's Republic in the field of foreign trade and of connected economic cooperation as well as of tariffs,

9) supervises overall relations with foreign countries in the field of foreign trade and of connected economic cooperation with foreign countries,

Par. 5. In regard to the organization of foreign trade the minister of foreign trade:

1) establishes and abolishes establishments for which he constitutes the founding organ and ratifies bylaws of foreign trade establishments,

2) ratifies agreements for formation of associations of state enterprises if they include establishments for which he constitutes the founding organ and participates in ratification of agreements to form associations of state enterprises if they include establishments other than those named above,

3) within the scope of authority determined by regulations established by law,

4) coordinates activities of all establishments and of other organizational units authorized to carry out foreign trade within the realm of matters pertaining to foreign trade and to connected economic cooperation with foreign countries,

5) issues, changes, and withdraws authorizations to carry out activities of foreign trade,

6) in agreement with the minister of foreign affairs creates and liquidates economic and trade posts abroad and directs activities of those posts,

7) determines organizational and general principles for using a trade network in foreign markets by export-import establishments and other units authorized on the basis of a concession to carry out foreign trade,

8) in agreement with the minister of finance determines principles of formation of, and of participation in, partnerships abroad in which Polish units authorized to carry out foreign trade contribute capital,

9) grants consent to foreign trade enterprises and to other units authorized to carry out foreign trade for establishment of branches, information and technical bureaus and of partnerships, except for partnerships formed within the province of maritime administration.

10) supervises activities of directors of economic and trade posts which have as their objective assuring the cooperation of all representative offices and of all representatives of Polish economic units active abroad.

Par. 6. Within the scope of employing instruments of indirect control of foreign trade the minister of foreign trade:

1) prepares himself and cooperates with Planning Commission attached to the Council of Ministers, as well as with other appropriate chief organs of state administration, in preparation of economic instruments having as their objective stimulating development of production for export and of export, increasing the effectiveness of export, and rationalization of import, and utilizes these instruments.

2) cooperates with the minister of finance in determining principles of economic and financial system of foreign trade establishments,

3) cooperates with the president of the Polish National Bank in fixing the basic rate of exchange of the zloty,

4) carries out tariff policy in regard to commercial and noncommercial exchange with foreign countries and supervises the activity of the organs of customs administration,

5) carries out adjustment calculations in foreign trade,

6) develops methods of research and appraisals of the effectiveness of trade exchange with foreign countries and prepares comprehensive analyses in this regard,

7) in conjunction with the minister of finance determines the size of foreign currency credits applied to income derived from the export of goods and of connected services.

Par. 7. In regard to employment of direct means for steering the foreign trade the minister of foreign trade:

1) orders to incorporate into the plans of export-import establishments under his jurisdiction, or directs to perform outside of the plan, tasks which flow from international commitments, from defense needs of the country, or from a natural disaster, and, if necessary, assigns the means needed for carrying out these tasks,

2) assigns to units of socialized economy, authorized under a concession to carry out foreign trade, performance of tasks flowing from international agreements binding the Polish People's Republic,

3) issues permits for transporting goods into or out of the country as well as for the use of foreign transport to carry goods involved in foreign trade,

4) in agreement with appropriate ministers, defines principles of policy in regard to the maintenance of means of transport for carrying goods entering foreign trade,

5) defines principles of qualitative and quantitative control of goods entering into exchange with foreign countries, taking under consideration demands of standardization, and assigns ex officio to appropriate organizations tasks of carrying out such control,

Par. 8. Within the scope of foreign currency and payments policy connected with foreign trade the minister of foreign trade:

1) cooperates with the Planning Commission attached to the Council of Ministers and with the minister of finance as well as with the president of the Polish National Bank in the conduct of foreign currency policy of the state,

2) in agreement with the minister of finance and the president of the Polish National Bank, determines principles of giving or obtaining trade credits, issues appropriate permits to units authorized to carry out foreign trade and cooperates with these organs in regard to giving and obtaining such credits,

3) in agreement with the minister of finance and the president of the Polish National Bank determines principles of accounting and of payments in relations with individual countries or with groups of countries.

4) assigns foreign currency for the import of goods and services within scope of the central annual plan,

5) determines principles for setting prices in foreign currency connected with trade exchange with foreign countries,

6) determines principles for concluding and settling contracts and approves agreements resulting in payments to foreign countries in the realm of the turnover of goods and connected services.

Par. 9. Within the realm of information and economic propaganda and of promotion of export the minister of foreign trade:

1) programs and coordinates activities which serve the promotion of Polish exports and the development of economic relations with foreign countries,

2) in agreement with the minister of foreign affairs defines guidelines and principles for activities within the realm of information and of economic propaganda abroad,

3) publicizes the achievements and capabilities of Polish foreign trade and of connected with it cooperation with foreign countries,

4) delineates principles for organizing in the country and abroad trade fairs and promotional trade exhibitions and for participation in fairs and exhibitions organized by other countries,

Par. 10. Within the scope of personnel policy, of employment, and of occupational training the minister of foreign trade:

1) determines qualifications to be demanded of employees engaged in socialized foreign trade establishments,

2) appoints and dismisses directors of establishments for which he constitutes the founding organ and selects candidates for governing boards of partnerships in which he represents the state treasury,

3) exercises control over the observance by units authorized under a concession to conduct foreign trade of rules delineated in the concession in regard to candidates for director of export-import units,

4) proposes to the minister of foreign affairs appointments to diplomatic and consular posts of employees authorized to conduct matters subject to the minister of foreign trade in diplomatic posts and consular offices and concludes and voids employment contracts with all other employees of economic and trade posts under his jurisdiction,

5) approves candidates for employment in partnerships and in organizational units engaged in foreign trade abroad other than those cited in point 4: this regulation does not involve employees sent abroad within the scope, or for the purpose, of fulfilling trade contracts,

6) cooperates with the ministers and with the directors of central departments and of institutions and economic organizations in the realm of education, continuing education, improvement, appraisal, and selection of personnel needed for foreign trade and for connected with it economic cooperation with foreign countries,

7) awards departmental decorations,

8) organizes continuing education and training of foreign trade personnel and assists in personnel training export-import establishments and other economic organizations authorized to carry out foreign trade.

Par. 11. Within the realm of foreign trade and of connected with it economic cooperation the minister of foreign trade issues legal enactments or prepares proposed legal enactments, participates in originating and codification of international trade law, determines principles of legal services and supervises participation of Polish organizational units in court litigations abroad.

Par. 13. The minister of foreign trade controls in regard to foreign trade the activities within the country and abroad of physical and legal persons authorized to conduct foreign trade.

Par. 14. The minister of foreign trade carries out tasks delineated in separate regulations.

Par. 15. In carrying out his duties the minister of foreign trade cooperates with other chief, as well as central and regional, organs of state administration, with trade unions and sociopolitical organizations, with cooperatives and with others, as well as with state enterprises and other supervised organizational units, particularly in regard to communicating to them necessary information and considering opinions and postulates of their personnel.

Par. 16. The decree of the Council of Ministers of 24 April 1974 concerning the detailed scope of authority of the minister of foreign trade and of maritime administration (Dz. U. No. 17 pos. 93) is hereby abrogated.

Par. 17. This decree takes effect on the day of its publication.

President of the Council of Ministers, General of the Army W. Jaruzelski

12207

CSO: 2600/667

PARTY, GOVERNMENT ECONOMIC POLICYMAKING BODIES DEBATE 1983-1985 PLAN

Warsaw TRYBUNA LUDU in Polish 1 Mar 83 pp 1,2

[Article by Krzysztof Krauss]

[Text] The basis of socioeconomic policy during 1983-85, the principles and instruments by which the national socioeconomic plan is to be implemented during the next three years, the government's program to effect savings of resources and its anti-inflation program -- all this was the subject of a second meeting held in the past few weeks by the PZPR Central Committee Commission on Economic Reform and Economic Policy.

The meeting was chaired by Politburo member Stanislaw Opalko. Among those taking part were Central Committee Secretary Manfred Gorywoda and the head of the Central Committee Economic Department, Stanislaw Gebala.

Characterising the basis of the draft socioeconomic plan, which will be shortly examined by the government and sent to the Sejm, the chairman of the Planning Commission, Jerzy Gwiazdzinski, emphasized that while the strategic goals of the plan are clear and uncontroversial, there is still considerable discussion about the means to be used in achieving these goals.

The dilemmas of the draft plan consist in, among other things, the scale of the projected growth in output and national income and the means to achieve this growth. There are frequent complaints that the draft plan envisages too small a growth in output and national income. If needs are taken as a basis for evaluation, then this complaint is justified.

Nevertheless, realism obliges us to take account of our actual possibilities -- and thus of the fact that it is difficult to expect that supplies of raw and other materials could increase by more than 7.5-8.7 percent. This means that the materials-intensiveness of industrial production must be reduced by 6.3-7.7 percent by 1985 and energy-intensiveness by even more than this. The increase in material production as a whole must be based on an increase in social labor productivity. Such rigorous conditions, needed to improve the efficiency of economic management, have never yet been achieved. Their achievement now is an urgent necessity, dictated by reality and in this perspective the proposed increase in output will be exceedingly difficult to achieve.

Nevertheless, realism obliges us to take account of our actual possibilities -- and thus of the fact that it is difficult to expect that supplies of raw and other materials could increase by more than 7.5-8.7 percent. This means that the materials-intensiveness of industrial production must be reduced by 6.3-7.7 percent by 1985 and energy-intensiveness by even more than this. The increase in material production as a whole must be based on an increase in social labor productivity. Such rigorous conditions, needed to improve the efficiency of economic management, have never yet been achieved. Their achievement now is an urgent necessity, dictated by reality and in this perspective the proposed increase in output will be exceedingly difficult to achieve.

Moreover, the main elements of the anti-inflation program put the emphasis on significant changes in the structure of output. With all the limitations discussed above, market supplies of goods should increase by 20-23 percent and services -- by approximately 32 percent.

The program assumes, among other things, a stringent financial policy in relation to enterprises ("difficult money"), a strict savings regimen in relation to budgetary expenditures. The scope of some social services needs to be critically assessed, and we should consider postponing the introduction or application of some branch privileges, etc. If these measures yield the expected results, the increase in prices -- unavoidable for various reasons -- could be limited to 15-17 percent in 1983 and to less than 10 percent in 1984 and 1985.

The discussion pointed to, among other things, the need to make clear that it is not so much a question of an increase in the intensiveness of labor as an increase in the effectiveness of labor. Some discussants were critical of the excessive scope of various forms of "relief" and "preferential treatment" designed to encourage enterprises to rational management.

9993

CSO: 2600/565

PRODUCTION PLAN TARGETS IN 1983 OUTLINED

Increased Ferrous Metals Production

Warsaw TRYBUNA LUDU in Polish 28 Mar 83 pp 1, 6

[Article by Stanislaw Zielinski]

[Text] This year's ferrous metals production plan is higher than last year's in almost all the basic areas. With the exception of coke (of which there will be 16.6 million tons, and consequently 200,000 tons less than last year), there should be more pig iron (9,650,000 tons), steel (16,460,000 tons), rolled products (11,400,000 tons), and tubing (232,000,000 km). These amounts do not satisfy the nation's entire needs, inasmuch as they are limited by the current capabilities of the iron and steelworks. How are these tasks being fulfilled as the first quarter of the year draws to a close?

The effects of the first 3 months of production are being positively assessed by the Katowice Iron and Steel Producers Association. Particularly in March, work is proceeding well, and this permits catching up on shortfalls of January and February especially in the area of steel production. The assessment is, and with great probability that the first quarter of this year will end with increases in coke (approximately 54,000 tons), pig iron (about 30,000 tons), steel (about 2,000 tons), as well as rolled products (39,000 tons), and tubing (about 616 km) above the established production plans.

This, however does not signify that the plan will be surpassed in all areas, or even fully accomplished. Difficulties continue in sheet metal production with many domestic consumers, as well as the metallurgical industry itself waiting for supplies.

In order to carry out this year's plans, provisions have been made to supply the metallurgical industry with the necessary raw materials. Coking plants cannot complain of a shortage of furnace charge, as there is sufficient coal. Also, regular deliveries of coal are being made from the Soviet Union (used as admixture), with 1,100,000 tons being received this year.

The polisy metallurgical industry will also receive 14 million tons of ore from the Soviet Union, one million tons will consist of rich concentrates, these

imports will decrease the ore imports from the second payments area [capitalist nations] from three million to 2,200,000 tons. Deliveries from both payment areas are being reached as planned, and even surpassed to a certain level.

The shortage of pig iron for steel production is also being alleviated by imports from the Soviet Union. This year we will obtain 1,350,000 tons of open hearth pig iron in "pigs" which will be processed in metallurgical plants operating without blast furnaces.

Scrap is necessary in steel production. We have no shortage of it, nevertheless it reaches the metallurgical plants with exceptional irregularity. The railroad does not give preferential treatment to these shipments. Insofar as the metallurgical plants are concerned, the Zawiercie metallurgical plant, for example, had to close down all four furnaces for this specific reason.

As yet we are not rich in the needed ferrous alloys. In large part, we import them from the Soviet Union, traditionally in quantities of 71,000 tons. Likewise, since last year the USSR has increased deliveries an additional 15,000 tons. From the second payments area we import certain ones like ferromolybdenum, ferrovanadium, or low-carbon ferrochromium. For this import, essential from the standpoint of technology, we spent approximately 30 million dollars. And here as previously the import is proceeding according to plan.

Incidentally, were it not for deliveries of needed materials from the Soviet Union, we would have spent this year alone nearly 800 million dollars in the West for purchases, something which our economy could not have managed.

Nevertheless, the metallurgical industry has no shortage of difficulties and problems. Limitations in gas supplies are already evident, and heavy fuel oil problems are beginning.

Undoubtedly, the most difficult problem is the shortage of personnel. In factories comprising the association, the number of employees has decreased by about 16,000 in comparison with last year, and this represents eight percent. As a result, out of 60 roll lines, only 23 still operate under the four-shift system, the rest under three, and sporadically even two shifts. Out of the 18 tube works, seven have ceased 24-hour operation. In order to augment the smaller crews concerned with the critical production areas, at least 8,000 skilled workers are currently needed.

Anti-Import Production

Warsaw TRYBUNA LUDU in Polish 28 Mar 83 pp 1, 6

[Article by (hel), (wol)]

[Text] Production using domestic technology, of articles and equipment which serve as a substitute for hard currency imports, has become highly significant in times when our economy is faced with restrictions imposed by the West in the area of trade relations.

The development of domestic solutions also indicates more efficient utilization in many cases of the available raw and other materials, and also more economical management. If at the same time it concerns such areas for example, as pharmaceuticals, or the tractor industry, then it is instrumental in solving the crucial domestic market problems.

Wiepofama Machine Tools for the Automotive Industry

The workers at the Wiepofama Special Machine Tools factory in Poznan by systematically increasing production have secured for the domestic economy, chiefly the automotive and tractor industries, the machine tools until recently purchased in nations of the second payments area.

These are unit machine tools, manufactured on order under so-called individual technology, which means that each one is different and original. One such machine purchased in the West would cost from 300,000 to one million dollars, and in cases of mechanized lines above 1.5 million dollars. The level of technical and technological solutions in Poznan's Wiepofama firm does not recede before that of the world's leading firms. This is why numerous orders are being placed in Czechoslovakia, Bulgaria, East Germany, Romania, and Hungary.

The basic effort of the workers, however, is directed toward domestic production, and as Tadeusz Nawrocki the Workers' Council chairman noted--the needs of our nation are growing continually. He also noted that we supply the Ursus tractor industry and the factories producing passenger cars and trucks.

Wiepofama's total fulfillment of orders for Starachowice for production line processing of cast-iron castings, and diesel engines allows these factories to install the engines in the new version of the 266 nidek. Ultimately, in 1984 and 1985, Starachowice will cease installing gasoline engines in the "Stary." In addition a processing line has been developed in Poznan for the Polonex, which if purchased abroad would cost over 1.5 million dollars.

The value of this year's production tasks carried out by Wiepofama totals 1.2 billion zlotys, of which export necessary for the implementation of reform principles comprises a production value of 116 million zlotys.

Lactose From Zamosc Dairies

Experiments spanning nearly a year, in which the Zamosc Voivodship Dairy Cooperative initiated production of lactose from whey remaining from yellow cheese production, were completed successfully. The whey has up until now been treated as a useless byproduct, only partially utilized as fodder for hogs.

The system installed in the Samosc dairy, for which a portion of the necessary equipment had already been imported earlier (for unsuccessful experiments to thicken whey for use as fodder), processes 20,000 liters of whey daily, and of this amount approximately 40 kilograms of lactose essential for drug manufacture is obtained, until now this had all been imported.

The methods of production, as well as the production line the first in the nation, have been adapted in accordance with an idea presented by a group of employees from the Warsaw Food Machinery Institute, under the leadership of Teresa Skirmuntt, according to WSM [Mechanical Equipment Plant] chairman Jozef Dubas in Zamosc, the machinery has been operating without difficulties, and this year we plan to produce 62 tons of lactose. If we are able to install the new boiler efficiently, as we currently have insufficient steam, then we will increase production to 100 tons. Each ton produced in the country decreases the import expenses, since we pay 1,2000 dollars per ton on foreign markets. The lactose would then be sent to a refining facility in Zyszkowice near Lowicz, and following refinement, pharmaceutical firms would manufacture medicines out of it. It would also be utilized in the sugar industry.

12229

CSO: 1600/632

RELIABILITY OF INDUSTRIAL STATISTICAL REPORTING STANDARDS QUESTIONED

Warsaw WIADOMOSCI STATYSTYCZNE in Polish No 2, Feb 83 pp 11-13

[Article by Adam Zych: "Concerning the Higher Quality of Statistical Reports"]

[Text] The question arises how the system of statistical reporting should be organized in order to facilitate an improvement in its quality. I will cite factors below which I believe play a specific role in this field.

One of the essential, although not one of the most appreciated, conditions guaranteeing a high quality of statistical reports of the enterprises and other economic units, is the notable stability of principles and solutions which tie together in this field. On the basis of personal practice, I can formulate a certain rule of thumb which states that as the time of testing the specific principles of preparation of reports increases, the quantity of accumulated mistakes and errors decreases. Hence, in introducing changes in the methodological area, it is necessary to reckon with the risk of worsening the quality of reports; the planning-statistical center must consider this fact in the completed estimates and the decisions raised.

Unfortunately, in past years, the stability situation of reporting has been far from an improved state. There was generally a large quantity of changes introduced in the methodology of processing reports. Such a state could be permitted under the condition that all workers preparing reports under these circumstances, particularly in the basic economic units, concurrently follow and analyze changes and corrections finding their way into the methodology. However, as practice shows, a large percentage of the workers of the enterprises processing reports inaccurately acquaint themselves with the changes and supplements introduced to statistical instructions, which negatively influences the creditability of the obtained information.

Theoretically, improving this situation can encompass the strengthening of training functions and supervisory control functions carried out by the organizational units of state statistics. It is also necessary to consider that the average worker demonstrates a great inclination to ongoing repeatability and routine. This tendency has an objective nature, and no methods to eliminate it can be implemented with complete results.

It is necessary to emphasize that on the basis of repeatability or routine, permanent skills and professional specialities arise. On the other hand, the lack of stability with reference to the principles of performing specific work becomes a fundamental obstacle. With the frequent changes of the risks of processing reports it is necessary to explain that in the endeavor special work does not play that great a role. There are very few cases where workers with many years of experience in the sphere of accounting, have the same problems with processing a specific report as the workers with very little work practice. Economic reform contributes to a greater stability in reporting. System principles, introduced in association with reform, have considerably more permanent character and create the basis for the processing and familiarization of stable methodology in statistical reports.

From this point of view, soon it would be necessary to waive the practice of processing annual, separate statistical instructions. All the more so, there should not be changes in the principles of processing reports (in the form of supplements to the instruction during the year, which currently happens frequently. On the other hand, permanent, operative, methodological principles which refer to a specific report or group of reports, should become the sole basis for compiling reports. An important problem is the distinct characterization in the instruction of the frequency of preparation of a specific report. From this point of view, one can favor the annual and current reporting.

The main function of annual accounting is the delivery of service information to the publication cells and the conduct of increased statistical investigations. Hence this type of reporting is the most developed which is, of course, completely founded.

However, as is shown by practice, the greatest number of mistakes and errors occur in annual reports. Putting aside the numerous causes and conditions of a subjective character, it can be stated that the adoption of improper information in these reports results equally from factors of an objective character. Annual reporting periods are, after all, too far apart for workers processing reports to strengthen specific skills or habits. All the more so, as mentioned above, a separate statistical directive is operative for each year.

It is worth thinking about the possibility of shifting certain adopted information in the annual reports to current reporting.

I am aware that on a large scale such a direction of activity cannot be implemented inasmuch as it is undoubtedly inconsistent with the tasks and goals of the state statistical system. Obtaining complete credibility of adopted data in annual reporting is, in my opinion, a serious problem requiring multifaceted activities and ventures. An accurate analysis is required by setting the frequency of preparing numbered reports for current reporting. As is known for this group, reports are numbered monthly, quarterly and semi-annually. Recently, the phenomenon of limiting monthly reporting in favor of quarterly or semiannual reports is evident, as a result this type of report has considerably increased in the formation of statistical information. In my opinion this phenomenon should be negatively rated in the

majority of cases. Already by nature, quarterly and semi-annual reporting is a radically different function from monthly reporting. Hence, the numbering of monthly, quarterly and semi-annual reports to one group of current accounting, which presently, formally raises many doubts and reservations.

It seems after all, that quarterly reporting, but especially semiannual reporting should have an incidental character; only in closely specified cases can such a proper frequency be set for specific reports. On the other hand, a fundamental role should be played by monthly and annual reports, inasmuch as only reports of such frequency can perform functions and tasks clearly specified for them.

Let us take as an example the reporting services. During the last year, the frequency of processing reports of this group has significantly declined. At present, the reporting from this area is prepared for in semiannual periods. In my opinion, the solution is not proper, inasmuch as such information as the general value of services for people is indispensable for monthly periods, while a thorough breakdown of total services for business can be adopted over a year's time. In the meantime under the conditions of solutions presently operative, all this information is set for a semiannual period.

The situation is similar in relation to other reports presently being processed for a semiannual period. In my opinion, we should completely relinquish reports with a semi-annual frequency. Hence, in the issue of setting the proper frequency of preparing reports, the criteria, forejudging the acceptance of a specific solution, should be the clearly designated functions fulfilled by each piece of information included in the report.

The elementary principle, which should be operative in reporting, is the presentation in the reports of information exclusively in support of the proper documents (based on sources or secondary data). Adherence to this principle stipulates the possibility of controlling data. The genuineness indicates (as a closer analysis of the thorough methodology of processing a report) that the above principle is not always compiled with. Here are several examples.

An essential role in the entirety of statistical information is played by so-called statistical reports. It is not doubted that at the central level this accelerated information is not indispensable for the execution of current evaluations and decision-making opportunities. The problem, however, is in the fixing the proper moment when it is possible to demand suitable information from the enterprises. Even until recently, the operative principles here were decidedly erroneous. Information on the size of the production (sales) of the enterprise had to be provided the first day after the end of the month, something generally impossible from an intelligent viewpoint. Hence, it was permitted in the systematic principles to rely on statistical reports in estimated data, which however, was not compatible to proper statistical reporting. In this context it is necessary to evaluate the fact that, beginning in 1982, statistical reports from the industrial enterprises are provided on the third working day after the reported period (the so-called report P-01).

On the other hand, it is a mistake that information from the wage-fund area is provided in these reports inasmuch as the factual data on the paid out wage fund are not yet known in the industrial enterprise on the third working day after the end of the month. Hence, in holding the statistical reports, it would be necessary to exclude data from the area of wage economy.

Instead, it is necessary to evaluate positively the changes, introduced in 1982, in the principles of gathering in the accounts data referring to the premiums of the employed workers at so-called nonworking positions (i.e. intellectual workers). For many years the premiums of these workers were provided in the reporting for that period which was covered by the report. Hence also the premium was excluded from the fulfillment of the wage fund (whose basic element are the premiums themselves). The premium refers to other periods including planned quotas of premiums simultaneously not yet paid out. The source of the statistical data was not the proper wage documents, but various estimates and amounts envisioned (planned) which created the chance for errors or even conscious falsification of data (in the case of calculating the enterprises from the amount of wage fund). Beginning in 1982, the above principle, however, was repealed and presently premiums are gathered in the reporting in the amount of actual payments without regard to the period to which they refer (Directive No. 1, GUS for 1982, p. 20).

Another example, this time negative, which illustrates the principle of collecting into the reporting factual data and not estimated, is the presently applied method of determining certain information in the service area. As is known, one of the ways of running service plants is the so-called lump sum, whose chief feature is that the actual turnovers of the plants, with fixed rates, are not known; their level is generally accepted in a contract in an estimated manner. The fact that has to be negatively evaluated is that the precisely estimated amount is regarded in the accounting from the service area (Directive No. 183 GUS for 1981, p. 19). This solution pretends that value accepted in the reporting results from factual data. This matter is so substantial that the turnovers of plants with fixed rates, which play an essential role in the service sphere, are subordinate to a summation with the turnovers of plants operating plants on the so-called general principles, which closely record the obtained turnovers (on the basis of factors or calculations). In effect, this leads to an obfuscation of the picture of the services segment, inasmuch as various information is subordinated to the summation. For in this specific case, it would be necessary to introduce different principles of gathering turnovers of plants to fixed rates in reporting from the service area. This refers equally to the wage fund of these institutions.

In practice there are still more examples of admitting estimated amounts to statistical reporting. In my opinion, all the examples of this type ought to be eliminated, inasmuch as, in this way the information is complete and very complicated. Whereas the effect is always the opposite--the information is subordinate to obfuscation and is less credible.

One of the most important problems occurring on the level of the enterprise in the process of statistical reporting is the lead-in of statistical data from the previous period in a comparability with the period covered by the report. The need to add data to the comparison takes place in the case of organizational, price or methodological changes.

It is still necessary to emphasize that the issue of comparing data plays a particularly essential role in the period before the initiation of economic reform. At that time, one of the main criteria in evaluating an enterprise was the turnover rate (production or sales) obtained in the reported period in relation to the previous period. For this indication to be as adequate the data of both periods had to be added to the comparison.

In the present situation, and especially under conditions of economic reform the situation succumbed to fundamental change. The turnover rate, obtained by the enterprises, plays the smallest role in evaluating its activity. The basic measure of this evaluation is profit, reflecting--the least in the arrangement--the degree of effective activity.

In this situation it would be necessary to ponder the usefulness of setting specific economic quantities for the enterprises under comparable conditions.

As a result, it would bring a considerable simplification of statistical efforts, with which the reporting system would be completely adapted to the directions of those changes resulting from the economic reform.

On the margin it would be valuable to remark, that principles of adding data to comparison, which were operative in previous periods were not so precise, that, as a result of their application, the complete agreement of data was achieved. Many changes, making their way in the enterprise, were not regarded when adding data for comparison, the result was that information fixed for two periods, only had a seemingly comparative character.

It would be possible to provide changes in the selection of production as an example. In the typical industrial enterprise, the selection structure of production in two consecutive periods (years) is not generally identical. Some selections are very profitable for the enterprise, others less so. Wanting afterwards to perform an objective evaluation of its activity, it would be necessary to regard equally the selection changes. This element is still not regarded in operative principles of the addition to comparability.

Particularly difficult problems in this area arose with the moment of introducing into the economy new principles of fixing prices. As is known, the enterprises have acquired here far reaching independence in decisionmaking. Generally speaking, prices for a relatively large portion of articles have the character of agreed-upon prices, which signifies that their level should be equally formed under the influence of the relation of demand and supply. Keeping an eye on the great changeability of these relations in time--even prices for this type of article undergo frequent changes. From a discussed point of view, the issue of new principles and mechanisms for setting prices still has very essential significance. For example, when in the period preceding the report period, i.e. in the so-called base period, the enterprises changed more than once the prices of a given article (which currently is

practically regular), then for statistical service the problem arises whose price needs to be regarded with the addition of value to comparability. In principle, in such a case the medium price needs to be considered, but with a wide selection of production the setting of these prices is very labor-intensive, and beyond that, the possibility increases at the same time of making mistakes and errors.

Hence, in my opinion, under current conditions, it is necessary to renounce on the level of the enterprise the addition of data for comparability. This does not mean, of course, that this activity (i.e. the addition to comparability) is completely superfluous. Still, in my opinion, it should also be included at the level of administration, with the application of radically different methods of action.

The essential principle which should be operative in statistical accounting is the safeguarding of maximum consistency of information demanded from economic units by the organs of state statistics--with the methods of enumeration and evidence carried out by these units. Hence, we are talking about avoidance--as a possibility--of information, which to no degree is helpful to the enterprise. In collecting this type of information, it is necessary to consider a large clue of error from the top. Such information is quickly superfluous for the enterprise, i.e. an obvious matter, that it is not interested in the achievement of the maximum degree of accuracy and honesty in this area.

An example of this type of information in an industrial enterprise is data referring to market deliveries according to wholesale prices. As is known in the evidence of an industrial enterprise operations move, above all, according to market prices, whereas wholesale prices play no role here. Hence, wanting currently (for every month) to provide the value of deliveries according to wholesale prices, the enterprise has to study and introduce completely isolated evidence, totally separated bookkeeping evidence. This is a great problem for the plant, increasing in basic fashion the laboriousness of statistical efforts. As practice shows, such evidence is not gathered everywhere in the proper way; often in association with this are instances of providing information totally in disagreement with the actual state of affairs. And in my opinion, not much would change for the better--consolidation of control or instructions. The problem is in the fact that this type of information is completely unneeded by the industrial enterprise and this fact as far as I am concerned, needs to be considered.

A similar problem is occurring in the reporting from the area of production in clothing enterprises. An artificial measure forming the amount of production in this branch is the so-called treatment of linen cloth for manufacturing. From a purely statistical viewpoint, this measure is correct in principle; the problem, however, is in the fact that in clothing plants it is totally superfluous. Hence, there are many instances for providing data glaringly deviating from the actual state of affairs. Equally, in these instances, the renouncement of this kind of information is necessary, which seemingly enlarges the area of our knowledge of economic phenomenon.

Working the methodical principles of reporting would require afterwards the consideration of the fact that each piece of information accepted was more or less helpful for the enterprise in the process of administering and directing its activity. The degree of agreeability will be greater between the space of the enterprise's interests and the statistical planning center, the greater the certainty that the acquired information is very credible and honest, just an information exceeding and going beyond the area of enterprise interest should be set beyond the system of statistical reporting, with the application of separate methods.

12247

CSO: 2600/616

REFORM OF ENTERPRISE PROFITABILITY, WAGE FUNDS EXAMINED

Warsaw ZYCIE GOSPODARCZE in Polish No 8, 20 Feb 83 p 10

[Article by Henryk Fiszal]

[Text] Various views are being voiced which maintain that economic reform is in danger. It sounds dramatic at times. Some, those more ardent, call for a crusade against the enemies of reform, especially against the conservative members of the economic apparatus. Others, those more mild by nature, prescribe rather a monk's frock and performing missionary work to spread the words of truth and to convert the unfaithful and doubtful to the womb of reform. One should not of course underestimate this "external" threat. But let's not overestimate it either. It seems moreover, that the reform is also threatened by its animators and architects ("the enemy" sits in the middle). This reflection came to me after reading "Rules of state enterprises functioning in 1983" (ZYCIE GOSPODARCZE No 1/1983).

As long as we were using general statements such as to abolish the orders-distribution system, dissemination of the idea of the three "S" etc, assumption of the reform did not cause bigger objections. It is another story if someone moves from a general thesis to concrete, practical solutions. It turns out then, that the old, rigid forms live up again, dragging the system to previous positions. The practical rules, which we discuss, are concerned with a transitory period, but knowing the lot of all temporary measures, I can imagine how they may be perpetuated for many years. Besides, now some solutions already have acquired a permanent character. I will attempt to show it with two selected examples.

Let us begin with the profitability of enterprises. Clear and synthetic criteria of profitability have been abolished, namely the sum of profit received in a given period, reflecting all sides of enterprise activities. Instead, in my opinion, an artificially constructed profitability indicator was introduced expressing a ratio of the total sum of profit to the cost of processing. (By the way it is not a new thing, this topic already was discussed during the sixties. The case was then abandoned).

It is not hard to show that this indicator cannot pretend to play a role of synthetic criteria of profitability, it can be easily driven to the absurd.

Let's assume that in a certain period the material costs of an enterprise increased--*ceteris paribus*--by X sum and by precisely the same sum labor costs decreased; or vice versa: material costs decreased by this sum, and labor costs increased in the same proportion.

From the viewpoint of profitability nothing has changed, the outcome of the operation equals zero, the profit did not change a bit. In spite of this--contrary to logic--in accordance with this indicator profitability increased in the first case, and decreased in the second.

Many more similar cases of inconsistency could probably be traced, but one is enough--as in every rigorous proof--in order to show that the concept is wrong.

On that wrongly constructed indicator of profitability is based the system of income tax in 1983, where progress attains 90 percent of profit (with profitability above 50 percent). The finance minister in certain cases utilized his privileges to slacken off this progress.

This significant progress of profit taxation is understandable considering the present economic situation, characterized most of all by a disequilibrium which creates an advantageous cycle for unsubstantial price increases and accumulation of undeserved profits.

As it is known, after price increases in 1982, almost the entire processing industry achieved high profits attaining, in spite of a lack of actual economic progress, up to 30-50 percent. The government intention is then clear here, but will it be properly understood by industries? I am afraid not. It may be a signal for a strategy change, for nondisclosure of profits and transfer of a significant portion to pay raises without meeting additional productivity growth. These possibilities, as we will show, do exist. Needless to say, it might intensify inflationary pressure. It is a lesser problem if the industry discloses its profits.

The case of the profitability indicator and, associated with it, the income tax table have an additional aspect. Namely, there remains an unjustified mosaic, an often accidental taxation level for various enterprises with differentiated cost structure and technical equipment. Also, profitability is independent of the size of these enterprises.

It would be a different story if the tax dimension were linear, which many economists advocate. In the case of a progressive tax system the same percentage of profitability expresses various absolute amounts.

If we have to stick to progressive income tax which at present seems to be justified (though not at so drastic a scale) then we ought to decide upon intervals of progressiveness in absolute amounts which is tantamount to taxing the whole sum of profit. This in turn would recognize estimating the bottom limit of the amount of profit from taxation depending on various factors, sizes, the character of the enterprise, etc.

As it is known, nowhere in the world does there exist an uncomplicated system of income tax and that creates the most difficulties for treasury authorities. In our present circumstances, when--as we already said--enterprises achieve high profits not by economic progress, the right taxation policy becomes of primary importance.

In fiscal terms, particular control of the means of production ought to be given to industry, where as a rule free prices prevail and public opinion does not react to these prices variations.

It is a slightly different story in the area of commodity prices for the public of which an increase is in some sense under public control.

The taxation policy is then a sensitive issue in the economic system; it may favor both good and bad intentions of the enterprise. Evaluation of their activities on the basis of profitability, estimated on an annual basis has undoubtedly serious shortages. Since a productive economic activity is a continuous process, and a year is an astronomic unit thus the judgment on the calendar year basis is artificial. This contradiction, in my opinion, could be resolved by creating a formula of judgment for a longer period which would recognize a flexible taxation system.

Let us turn to the question of wages occupying one of the central places in 1983 in norms of the functioning of enterprises. We have here a classic example of returning to the old forms, from which economic reform, as can be seen, cannot release itself.

Since the origins of economic planning, the so-called wages fund, as it is known, and during a certain period employment too, were under tight control while other production factors did not undergo such rigorous norms. The opinion was, that since payments constitute an essential element of population income, sticking to a tight framework balances incomes with supply of commodities and prevents inflationary processes.

It is only a partial truth. The truth is also that excessive expenditures of raw and other materials and their waste also create demand without supply to cover it. The difference rests on the fact that payments are directly spent in a given production process, where other cost coming also from payments are carried away in the long chain of previous production process (at the supplier of materials, etc). Nothing, as we know, is created without work, and work always involves payments. This situation resulted in the substitution of raw material by labor being always handicapped. Thus, the Polish economy is characterized by an excessive materials-intensiveness, and waste of material has always reached disturbing proportions.

A detailed control of payments funds was originally undertaken by the Polish National Bank. It was, as experience showed, not so much ineffective as illusory.

During the time of the Large Economic Organizations (WOG) an automatic control of payment funds was introduced, creating for this purpose a proper formula. Analyzing then the construction of the formula, I tried to show that its application does not assure--on one hand--an influx of necessary means for rational employment of the labor force, on the other hand--it feeds this fund in an irrational way which inevitably leads to inflationary processes. In only rare cases the formula works in accordance with an interest of economy. This system undoubtedly was one of the driving forces of inflation, especially during the second half of the seventies.

The idea of controlling payment funds remains alive under the new principles of the functioning of enterprises. A slightly different mechanism is being introduced limiting payment increases in the form of a sharply progressing tax tabulation for the so-called Vocational Activization Fund (FAZ). This tax depends upon a pay increase in relation to the previous year. Simultaneously certain tax reductions are being introduced dependent upon the relative growth in production.

We have here then in a slightly changed form an old system including alleged incentives for production growth. This system, mildly speaking, did not pass the exam in its time and was given up.

It is characteristic that the coefficient correcting the payments generated by the production increase oscillates between 0.5 and 0.8. Besides, experiences teach us that in such cases enterprises press for the highest coefficient in the market. This was the case with coefficient R, when WOG's were functioning.

This correction is especially dangerous in the present situation when for various reasons, and mainly because of the malfunctioning of supplies many enterprises did not utilize fully their capabilities in 1982. It then production during 1983--let us hope--will increase as a results of improved supply, the payment fund can be increased, employment however will not change. As it is known employment in industry is rigid and does not oscillate depending upon production changes.

To summarize: in central place in the strategy of enterprises there again appears as a goal achieving the highest possible amount of means for payments, as it was during the old days. It can be achieved in the framework of instructions which create the proper condition for it. In spite of the fact that the idea of this instruction was limiting excessing appetites in this field, the result will be contradictory to intentions.

Still in a "privileged" situation from the enterprises point of view there remain labor costs in relation to material costs, of which substitution is more difficult. All this does not bring good hopes for the future of the reform nor for the economic situation.

I wish I were a false prophet!

9818

CSH: 2600/499

DECREE LISTING CRITICAL INDUSTRIES BY SECTOR PUBLISHED

Warsaw DZIENNIK USTAW in Polish No 9, 22 Feb 83 Item 4/ pp 129-148

[Text] Decree of the Council of Ministers of 5 February 1983, on establishing a list of enterprises of major importance to the national economy.

On the basis of articles 22 and 34, paragraph 2 of the law of 25 September 1981 regarding state enterprises (DZIENNIK USTAW of 1981, No. 24, position 122, and of 1982, No 45, pos. 289), the following is ordained:

1. For the period until 31 December 1984, a list of enterprises of fundamental importance to the national economy is established, constituting an enclosure to the decree.
2. State import-export enterprises are also counted among enterprises of major importance to the national economy.
3. In enterprises included in the list described in 1., and in enterprises defined in 2, the director is nominated and recalled by the founding organ in a procedure defined in art. 34 paragraph 1 of the law of 25 September 1981 regarding state enterprises (DZ.U. of 1981 No. 24, pos. 122, and of 1982, No. 45, pos. 289), hereafter called "law."
4. The list referred to in 1 does not include enterprises listed in art. 5 paragraph 1 and art. 6 of the law. In these enterprises the procedures for nominating and recalling the director are regulated by separate regulations.
5. In instances of forming a new state enterprise, or merging or dividing existing ones, the founding organ presents an appropriate motion to the Council of Ministers, to make a decision about including or excluding this enterprise from the list referred to in 1.
- 6.1. The amount of data to be included in the state enterprises register is to be expanded by the information referring to the enterprise's inclusion in the list described in 1.
2. Changes in the state enterprises' register described in paragraph 1. should be made within 30 days from the implementation of the decree.

7. In 3 of paragraph 1 of the Council of Minister's decree of 30 November 1981 regarding the state enterprises' register (DZ. U. No. 31, pos. 171), point 3a is to be added after point 3, worded as follows:

"3a) information regarding placing the enterprise on the list of enterprises of major importance of the national economy."

8. The decree goes into force on the day of its announcement.

Chairman of the Council of Ministers, Gen W. Jaruzelski

Enclosure to the Council of Ministers' decree of 5 February 1983 (pos. 47).

List of Enterprises of Major Importance to the National Economy

1. Mining and Power Industry Enterprises

1. JAWORZNO Hard Coal Mine in Jaworzno
2. KOMUNA PARYSKA Hard Coal Mine in Jaworzno
3. SIERSZA Hard Coal Mine in Traebinia
4. JANINA Hard Coal Mine in Libiaz
5. BRZESZCZE Hard Coal Mine in Brzeszcz
6. SILESIA Hard Coal Mine in Czechowice-Dziedzice
7. BOLESIAW SMIALY Hard Coal Mine in Laziska Gorne
8. PIAST Hard Coal Mine in Tychy
9. ZIEMOWIT Hard Coal Mine in Tychy
10. CZECHOTT Hard Coal Mine--under construction--in Brzeszcz
11. Jaworzno-Mikolow Repair Shops of the Coal Industry in Katowice
12. JULIAN Hard Coal Mine in Piekary Slaskie
13. ANDALUZJA Hard Coal Mine in Piekary Slaskie
14. JOWISZ Hard Coal Mine in Bedzin
15. GRODZIEC Hard Coal Mine in Bedzin
16. GENERAL ZAWADZKI Hard Coal Mine in Dabrowa Gornicza
17. SIEMIANOWICE Hard Coal Mine in Siemianowice Slaskie
18. CZERWONA GWARDIA Hard Coal Mine in Czeladz
19. SOSNOWIEC Hard Coal Mine in Sosnowiec
20. CZERWONE ZAGLEBIE Hard Coal Mine in Sosnowiec
21. KAZIMIERZ-JULIUSZ Hard Coal Mine in Sosnowiec
22. NIWKA-MODRZEJOW Hard Coal Mine in Sosnowiec
23. Dabrowa Repair Shops of the Coal Industry in Dabrowa Gornicza
24. MYSLOWICE Hard Coal Mine in Myslowice
25. WIECZOREK Hard Coal Mine in Katowice
26. WUJEK Hard Coal Mine in Katowice
27. GOTTWALD Hard Coal Mine in Katowice
28. KATOWICE Hard Coal Mine in Katowice
29. BARBARA-CHORZOW Hard Coal Mine in Chorzow
30. MURCKI Hard Coal Mine in Katowice
31. LENIN Hard Coal Mine in Myslowice
32. POLSKA Hard Coal Mine in Swietochlowice
33. STASZIC Hard Coal Mine in Katowice
34. Katowice Repair Shops of the Coal Industry in Siemianowice Slaskie

35. WAWEL Hard Coal Mine in Ruda Slaska
36. POKOJ Hard Coal Mine in Ruda Slaska
37. NOWY WIREK Hard Coal Mine in Ruda Slaska
38. HALEMBA Hard Coal Mine in Ruda Slaska
39. BOBREK Hard Coal Mine in Bytom
40. DYMITROW Hard Coal Mine in Bytom
41. SZOMBIERKI Hard Coal Mine in Bytom
42. ROZBARK Hard Coal Mine in Bytom
43. POWSTANCOW SLASKICH Hard Coal Mine in Bytom
44. SLASK Hard Coal Mine in Ruda Slaska
45. MIECHOWICE Hard Coal Mine in Bytom
46. Bytom Repair Shops of the Coal Industry
47. DEBIENSKO Hard Coal Mine in Leszczyny
48. PSTROWSKI Hard Coal Mine in Zabrze
49. ZABRZE Hard Coal Mine in Zabrze
50. SOSNICA Hard Coal Mine in Gliwice
51. MAKOSZOWY Hard Coal Mine in Zabrze
52. GLIWICE Hard Coal Mine in Gliwice
53. KNUROW Hard Coal Mine in Knurów
54. SZCZYGLOWICE Hard Coal Mine in Knurów
55. BUDRYK Hard Coal Mine--under construction--in Ornontowice
56. Zabrze Repair Shops of the Coal Industry
57. RYDULTOWY Hard Coal Mine in Wodzislaw Slaski
58. ANNA Hard Coal Mine in Wodzislaw Slaski
59. MARCEL Hard Coal Mine in Wodzislaw Slaski
60. RYMER Hard Coal Mine in Rybnik
61. CHWALOWICE Hard Coal Mine in Rybnik
62. JANKOWICE Hard Coal Mine in Rybnik
63. PIERWSZY MAJ Hard Coal Mine in Wodzislaw Slaski
64. JASTRZEBIE Hard Coal Mine in Jastrzebie-Zdroj
65. MOSZCZENICA Hard Coal Mine in Jastrzebie-Zdroj
66. MANIFEST LIPCOWY Hard Coal Mine in Jastrzebie-Zdroj
67. BORYNIA Hard Coal Mine in Jastrzebie-Zdroj
68. XXX-LECIA PRL Hard Coal Mine in Jastrzebie-Zdroj
69. ZWIAZEK MLODZIEZY POLSKIEJ Hard Coal Mine in Zory
70. SUSZEC-KACZYCE-PAWLOWICE Hard Coal Mine--under construction--in Zory
71. Rybnik Repair Shops of the Coal Industry
72. WALBRZYCH Hard Coal Mine in Walbrzych
73. VICTORIA Hard Coal Mine in Walbrzych
74. THOREZ Hard Coal Mine in Walbrzych
75. NOW RUDA Hard Coal Mine in Nowa Ruda
76. Lower Silesian Coal Mining Industry Equipment Enterprise in Walbrzych
77. Lublin Coal Basin Mine--under construction--in Lublin
78. ADAMOW Brown Coal Mine in Turek
79. KONIN Brown Coal Mine in Kleczew
80. TUROW Brown Coal Mine in Zeaton
81. BELCHATOW Brown Coal Mine--under construction--in Rogowiec
82. SIENIAWA Brown Coal Mine in Sieniawa Lubuska
83. Mining, Drainage and Recultivation Operations Enterprise in Wroclaw
84. Strip Mining Machinery Factory in Zgorzelec
85. Strip Mining Equipment Factory in Konin

86. NEGABUD Remodeling-Building Enterprise of the Brown Coal Industry in Wroclaw
87. Polish Petroleum and Gas Industry in Warsaw
88. M. NOWOTKO "NIWKA" Mining Machinery Factory in Sosnowiec
89. DEHAK Mining Tool Plant in Myslowice
90. POWEN Mining Machinery Factory in Zabrze
91. GENERAL KAROL SWIERCZEWSKI Mining Tool and Equipment factory in Katowice
92. MONTANA Silesian Mining Equipment Factory in Katowice
93. JULIAN LENSKI "FAMUR" Machine Factory in Katowice
94. MEFAG Mazurian Mining Equipment Factory in Morag
95. RYFAMA Machine Factory in Rybnik
96. GEOKYT Mining Equipment Factory in Krakow
97. NOWOMAG Mining Equipment Factory in Nowy Sacz
98. OMAG Mining Machine Spare Parts Factory in Oswiecim
99. SOSTAL Steel Casting Plants in Sosnowiec
100. GLINIK Drilling and Mining Machine Factory in Gorlice
101. FAZOS Mechanized Wall Casings Factory in Tarnowskie Gory
102. TADEUSZ ZARSKI "PIOMA" Mining Machine Factory in Garnowskie Gory
103. TACUR Mining Equipment Factory in Tarnowskie Gory
104. MITAMA Mining Machine Building Works in Mikolow
105. Mechanical Equipment Works in Bytom
106. CLIMAG Mining Equipment Works in Gliwice
107. BELOS Grid Equipment Production Works in Bielsko-Biala
108. RATAKO Boilers and Boiler Equipment Factory in Raciborz
109. REWOLUCJA 1905 r. "FAKOP" Boiler Industry Factory in Sosnowiec
110. FELIKS DZIERZYNSKI "DOLMEL" Lower Silesian Electric Machine Manufacturing Works in Wroclaw
111. KARELMA Karkonosian Electric Machine Works in Piechowice
112. EFA Electric Equipment Factory in Glina near Otwock
113. PPR BOJOWNIKOW "ELTA" Transformers and Locomotive Equipment Factory in Lodz
114. MEFTA Transformers Factory in Mikolow
115. SEFAKO Boilers Factory in Sedziszow
116. K. SWIERCZEWSKI "ZAMECH" Mechanical Works in Elblag
117. L. WARYNSKI "ZAPEL" Electrotechnical Porcelain Plant in Boguchwala
118. STAPORKOW Boiler Equipment Works in Staporkow
119. DYMITROW "ZWAR" High Voltage Equipment Production Plant in Warsaw
120. WILHELM PIECK "EMIT" Electrical Machines and Transformers Production Plant in Zychlin
121. JANEK KRASICKI "ELWO" Mechanical Equipment Production Plant in Paszczyna
122. LUBLINIEC Power Industry Production and Repair Plant in Lublinec
123. POZNAN Power Industry Production and Repair Plant in Czerwonak
124. RADUM Power Industry Production and Repair Plant in Radom
125. WROCLAW Power Industry Production and Repair Plant in Wroclaw
126. REMAK Power Industry Reconstruction and Modernization Plant in Opole
127. J. MARCHLEWSKI "WIROMET" Power Industry Mechanical Plant in Mikolow
128. Shaft Construction Enterprise in Bytom
129. Mining Operations Enterprise in Sosnowiec
130. Mining Operations Enterprise in Myslowice
131. Mining Operations Enterprise in Bytom
132. Mining Operations Enterprise in Gliwice

133. Rybnik Coal District Mining Operations Enterprise in Rybnik
134. Mining Operations Enterprise in Katowice
135. Mine Surveying Enterprise in Katowice
136. Mining Operations Enterprise in Leczna
137. ROW Mining Operations Enterprise in Jastrzebie-Zdroj
138. Mining Operations Enterprise in Walbrzych
139. Mining Building Central Repair Works in Myslowice
140. Electric Power Plant Construction Enterprise in Belchatow
141. Pomeranian Electric Power Plant Construction Enterprise in Szczecin
142. ENERGOBLOK WYBRZEZE Industry and Electric Power Plant Construction Enterprise in Gdynia
143. ENERGOBLOK Industry and Electric Power Plant Construction Enterprise in Konin
144. Silesian Industry and Electric Power Plant Construction Enterprise in Katowice
145. BETON-STAL Industry and Electric Power Plant Construction Enterprise in
146. Warsaw
146. ENERGOPRZEM Industry and Electric Power Plant Construction Enterprise in Krakow
147. ENERGOMONTAZ POLUDNIE Electric Power Plant and Industrial Equipment Assembly Enterprise in Katowice
148. ENERGOMONTAZ POLNOC Electric Power Plant and Industrial Equipment Assembly Enterprise in Warsaw
149. ENERGOMONTAZ ZACHOD Electric Power Plant and Industrial Equipment Assembly in Wroclaw
150. ELECTROBUDOWA Electric Assembly Plant in Katowice
151. ENERGOAPARATURA Surveying and Automatics Equipment Assembly Plant in Katowice
152. CHLODNIENIE KOMINOWE Cooling Towers Construction Enterprise in Gliwice
153. TERMORIZOLACJA Thermo-Insulation Operations Enterprise in Zabrze
154. TERMOKOR Thermo-Insulation and Anticorrosive Operations Enterprise in Warsaw
155. Central District Power Industry Works in Warsaw
156. Western District Power Industry Works in Poznan
157. Southern District Power Industry Works in Katowice
158. Eastern District Power Industry Works in Radom
159. Northern District Power Industry Works in Bydgoszcz
160. ELBUD Electric and Power Industry Building Enterprise in Katowice
161. Mine Rescuing Central Station in Bytom
162. Coal Mining Industry Backfilling Materials Enterprise in Katowice
163. Coal Mining and Power Industry Supplies and Transport Headquarters in Katowice
164. State Power Distribution Control Center in Warsaw
165. Coal Mining Industry Building Enterprise in Katowice
166. Coal Mining Industry Building Operations Enterprise in Katowice
167. Coal Mining Building Enterprise in Gliwice
168. PEBEROW Coal Mining Building Enterprise in Rybnik
169. Coal Mining Industry Engineering Operations Enterprise in Katowice
170. Engineering Operations Enterprise in Gliwice
171. Coal Mining Industry Engineering Operations Enterprise in Wodzislaw Slaski

172. WEGLOSAN Coal Mining Industry Fittings Assembly Enterprise in Bytom
173. Coal Mining Industry Fitting Assembly Enterprise in Mikolow
174. Coal Mining Industry Power Assembly Enterprise in Chorzow
175. Mining Equipment Assembly Enterprise in Katowice
176. Coal Mining Industry Electric Assembly Enterprise in Katowice
177. ELROW Coal Mining Industry Electric Assembly Enterprise in Rybnik
178. ELKOP Coal Mining Industry Electric Assembly Enterprise in Chorzow
179. Coal Mining Construction Heavy Construction Equipment Enterprise in Tychy
180. EMAG Scientific-Production Mining Electrotechnics and Automatics Center in Katowice
181. Scientific-Production Power Automation Center in Wroclaw
182. KOMAG Mining Modernization Center in Gliwice
183. Mining Facilities Supplies Enterprise in Katowice
184. Mechanized Boiler Furnace Factory in Mikolow
185. Boiler Equipment Building Works in Katowice
186. Steel Structure Factory in Gliwice
187. Central Bureau for Boiler Design in Tarnowskie Gory
188. MEGADEX Designing and Completion of Power Facilities Enterprise in Warsaw
189. Coal Mining Industry Woodworks in Katowice
190. ZOFIOWKA Electrotechnical Porcelain Works in Jedlin-Zdroj

II. Metallurgy and Machine Industry Enterprises

1. PONAR-BYDGOSZCZ Automatic Lathe Factory in Bydgoszcz
2. PONAR-OSTRZESZOW Mechanical Equipment Factory in Ostrzeszow
3. TARNOW Mechanical Works in Tarnow
4. PONAR-ANDRYCHOW Machine Factory in Andrychow
5. RAFAMET Machine-Tools Factory in Kuznia Raciborska
6. PONAR-PLASOMAT Automatic Press Factory in Warsaw
7. PONAR-WROCLAW Automatic Lathe Factory in Wroclaw
8. PONAR-LODZ Grinding-Machines Factory in Lodz
9. FPU-BIAL Devices and Chucks Factory in Bialystok
10. PONAR-HYDOMAT Special Presses and Stamping-Dies Factory in Warsaw
11. PONAR-BIPRON Machine-Tools and Tools Industry Designing and Supplies Enterprise in Warsaw
12. LENIN Shipyard in Gdansk
13. BOHATEROWIE WESTERPLATTE Northern Shipyard in Gdansk
14. KOMUNA PARYSKA Shipyard in Gdynia
15. USTKA Shipyard in Ustka
16. A. WARSKI Shipyard in Szczecin
17. TOWIMOR Marine Equipment Works in Torun
18. ELMOR Electrical and Automatic Marine Equipment Works in Gdansk
19. Marine Engineering Center in Gdansk
20. PROMOR Marine Industry Production Engineering Center in Gdansk
21. UNITRA-UNIMA Machine and Technological Equipment Works in Warsaw
22. OMIG Radio Subassemblies Plant in Warsaw
23. Scientific-Production Semiconductors Center in Warsaw
24. UNITRA-RADWAR Scientific-Production Professional Electronics Center in Warsaw

25. RADWAR Professional Electronics Completion and Supplies Enterprise in Warsaw
26. Electronic Materials Scientific-Production Center in Warsaw
27. RADMOR Radio Works in Gdynia-Grabowek
28. UNITRA-DOLAM Electronic Subassemblies and Equipment Scientific-Production Center in Warsaw
29. UNITRA-TELPOD Hybrid Microelectronics and Resistors Scientific-Production Center in Krakow
30. LAMINA Electronic Works in Piaseczno
31. UNITRA-TORAL Electronic Works in Torun
32. PREMIA-MILTET Anti-Friction Bearings Factory in Sosnowiec
33. ISKRA Anti-Friction Bearings Factory in Kielce
34. M. BUCZEK Anti-Friction Bearings Factory in Krasnik
35. Anti-Friction Bearings Factory in Poznan
36. Electro-Medical Equipment Factory in Lodz
37. Hospital Equipment Factory in Zywiec
38. Polish Optical Works in Warsaw
39. Optical Works in Jelenia Gora
40. Industrial Optics Center--under construction--in Warsaw
41. H. CEGIELSKI Metal Industry Works in Poznan
42. PAFAWAG Railroad Car Factory in Wroclaw
43. KONSTAL Steel Constructions Plant in Chorzow
44. M. NOWOTKO "ZASTAL" Odra River Metal Industry Works in Zielona Gora
45. SWIDNICA Railroad Car Factory in Swidnica
46. POMET Metallurgical Works in Poznan
47. MYSTAL Metallurgical Works in Myszkow
48. HUTA SILESIA Steel Products Works in Rybnik
49. Enamelware Factory in Olkusz
50. Enamelware Factory in Myszkow
51. GERLACH Tableware Factory in Drzewica
52. Steel Industry Works in Bilgoraj
53. KAMIENNA Iron Casting and Enamelling Plant in Skarzysko-Kamienna
54. REWOLUCJA 1905 "STAPORKOW" Iron Casting Plant in Staporkow
55. GWARDIA LUDOWA Casting Works in Konskie
56. Fitting Works in Krakow
57. WEGIERSKA GORKA Iron Casting Plant in Wegierska Gorka
58. PEDMO Iron Casting Materials Supplies Enterprise in Tychy
59. Pomerania Iron Casting and Enamelling Plant in Grudziadz
60. PREDOM-MESKO Metal Works in Skarzysko-Kamienna
61. GEN. WALTER "LUCZNIK" Metal Works in Radom
62. DEZAMET Metal Works in Nowa Deba
63. ROMET Bicycle Works in Bydgoszcz
64. R. LUKSEMBURG "POLAM" Electrical Lamps Production Works in Warsaw
65. URSUS Tractor Industry Association in Warsaw
66. HUTA STALOWA WOLA Combine in Stalowa Wola
67. Mining-Metallurgical Copper Combine in Lubin
68. LENIN STEELWORKS Metallurgical Combine in Warsaw
69. HUTA KATOWICE Metallurgical Combine in Dabrowa Gornicza
70. VIS Tool Industry Combine in Warsaw
71. POLMO Compact Car Factory in Bielsko-Biala
72. POLMO Passenger Car Factory in Warsaw

73. Automobile Works in Jelcz
74. POLMO-AUTOSAN Bus Factory in Sanok
75. Automotive Electrotechnics Works in Swidnica
76. POLMO Transport Cars Factory in Nysa
77. POLMO Automotive Transmission Factory in Tczew
78. POLMO Shock Absorber Factory in Krosno
79. POLMO Steering Mechanism Factory in Szczecin
80. POLMO Motorization Electrotechnics Plant in Duszniki-Zdroj
81. POLMO Farming Automobile Factory in Poznan
82. POLMO Automobile Equipment Factory in Praszka
83. POLMO Automobile Accessories Factory in Lodz
84. POLMO Friction Linings Factory in Marki near Warsaw
85. F. DZIERZYNSKI "POLMO" Truck Factory in Starachowice
86. B. BIERUT "POLMO" Truck Factory in Lublin
87. ST. STASZIC "POLMO-SHL" Specialized Automobiles Factory in Kielce
88. ANDORIA Diesel Engine Plant in Andrychow
89. ZELMOT Motorization Electrotechnics Works in Warsaw
90. BELAMA Textile Machine Factory in Bielsko-Biala
91. POLMATEX-DOFAMA Lower Silesian Textile Machines Factory in Kamienna Gora
92. POLMATEX-MAJED Silk Textile Machine Factory in Lodz
93. POLMATEX-WIFAMA Textile Machine Combine in Lodz
94. POLMATEX-WELMA Textile Machines Factory in Zdunska Wola
95. Power Hydraulics Plant in Lodz
96. ELWRO Electronic Works in Wroclaw
97. MERA-BLONIE Mechanical-Precision Works in Blonie
98. MERA-MAT Computer Science Equipment Works in Warsaw
99. MERA-ELZAB Computer Science Equipment Works in Zabrze
100. MERA-PAFAL Precision Equipment Works in Swidnica
101. MERA-KFAP Surveying Equipment Factory in Krakow
102. MERA-PNEFAL Industrial Automation Enterprise in Warsaw
103. MERA-POLNA Automation Works in Przemysl
104. Lower Silesian Metallurgical Works in Nowa Sol
105. ZGODA Technical Equipment Works in Swietochlowice
106. Technical Equipment Works in Gliwice
107. FAMPA Paper Machines Factory in Jelenia Gora
108. PRODLEW Iron Casting Plant Designing and Outfitting Enterprise in Warsaw
109. Industrial Equipment Works in Nysa
110. Industrial Equipment Factory in Swidnica
111. ST. SZADKOWSKI Machines and Equipment Construction Works in Krakow
112. CHEMAR Chemical Equipment and Industrial Fittings Works in Kielce
113. AL. KOWALSKI Pump Factory in Warsaw
114. BIALOGON Pump Factory in Warsaw
115. DEBICA Cooling Equipment Plant in Debica
116. CHEMADEX Industrial Facilities Designing and Supplies Enterprise in Warsaw
117. Cooling Equipment Factory in Bydgoszcz
118. UNITRA-POLKOLOR Kinescope Works in Piaseczno
119. UNITRA-WZT Television Works in Warsaw
120. M. KASPRZAK Radio Works in Warsaw

121. UNITRA-ELTRA Radio Works in Bydgoszcz
122. Radio Works in Lodz
123. DIORA Radio Works in Dzierzonlow
124. UNITRA-LUBARTOW Magnetophone Works in Lubartow
125. UNIMOR Electronic Works in Gdansk
126. UNITRA-UNIPRO Electronic Industry Designing Bureau in Warsaw
127. Cables and Cable Machines Factory in Krakow
128. K. SWIERCZEWSKI Cable Factory in Bydgoszcz
129. MARCELI NOWOTKO "PZL-WOLA" Mechanical Works in Warsaw
130. PZL-WZM Mechanical Works in Warsaw
131. PZL-WARSZAWA II Communications Equipment Factory in Warsaw
132. PZL-KALISZ Communications Equipment Factory in Kalisz
133. PZL-KRAKOW Communications Equipment Factory in Krakow
134. PZL-KROSNO Communications Equipment Factory in Krosno
135. PZL-POZNAN Communications Equipment Factory in Poznan
136. PZL-GORZYCE Communications Equipment Factory in Gorzyce
137. PZL-SWIDNIK Communications Equipment Factory in Swidnik
138. PZL-RZESZOW Communications Equipment Factory in Rzeszow
139. PZL-SEDZISZOW Filters Factory in Sedziszow
140. PZL-BIMET Slide Bearings Factory in Gdansk-Oliwa
141. PZL-MORPAK Gaskets Factory in Gdansk-Wrzeszcz
142. PZL-KROTOSZYN Mechanical Equipment Factory in Krotoszyn
143. PZL-HYDRAL Power Hydraulics Typical Elements Combine in Wroclaw
144. BUMAR-MRAGOWO Construction Machines Factory in Mragowo
145. BUMAR-LABEDY Mechanical Equipment Combine in Gliwice
146. F. DZIERZYNSKI "BUMAR-FABLOK" Construction Machines and Locomotives
Factory in Chorzow
147. BUMAR-KOSZALIN Construction Machines Factory in Koszalin
148. BUMAR-PROMA Construction Machines Plant in Ostrowek Wegrowski
149. BUMAR-FAMABA Construction Machines Factory in Glogow
150. EMA-ELESTER Electrical Equipment Works in Lodz
151. EMA-APATOR Pomeranian Electrical Equipment Works in Torun
152. EMA-INDUKTA Electrical Machines Plant in Bielsko-Biala
153. EMA-CELMA Electro-Machine Works in Cieszyn
154. EMA-ELEKTROCARBON Electro-Technical Subassemblies Factory in Tarnowskie
Gory
155. EMA-APENA Electrical Equipment Factory in Bielsko-Biala
156. EMA-FAEL Lower Silesian Precision Equipment Works in Zabkowice
157. EMA-CENTRA Electro-Chemical United Works in Poznan
158. EMA-ZAP Battery Works in Piastow
159. AGROMET Farming Machines Factory in Brzeg
160. AGROMET-WARFAMA Warmia Farming Machines Factory in Dobre Miasto
161. AGROMET-UNIA Farming Machines Factory in Grudziadz
162. AGROMET-INOFAMA Farming Machines Factory in Inowroclaw
163. AGROMET Forging and Farming Machines Works in Jawor
164. AGROMET-KRAJ Farming Machines Factory in Kutno
165. AGROMET Farming Machines Factory in Lublin
166. M. NOWOTKO "AGROMET" Harvesting Machines Factory in Lublin
167. AGROMET-ROFAMA Farming Machines Factory in Rogozno
168. AGROMET-FAMAROL Farming Machines Factory in Slupsk
169. AGROMET Farming Machines Factory in Strzelce Opolskie

170. AGROMET-ARCHIMEDES Farming Machines Factory in Wroclaw
171. AGROMET-PILMET Farming Machines Factory in Wroclaw
172. AGROMET Farming Machines Factory in Czarna Bialostocka
173. AGROMET-DOLZAMET Farming Machines Factory in Chojnow
174. AGROMET-PROJEKT Farming Machines Investments Designing and Construction Enterprise in Poznan
175. SPOMASZ Packing Machines and Equipment Factory in Gniezno
176. SPOMASZ Food Industry Machines and Equipment Factory in Olsztyn
177. SPOMASZ Food Industry Fittings Factory in Pleszew
178. SPOMASZ Packing Machines Factory in Poznan
179. SPOMASZ Food Industry Machines and Equipment Factory in Wroclaw
180. SPOMASZ Food Industry Machines and Equipment Factory in Wronki
181. SPOMASZ Food Industry Machines and Equipment Factory in Zary
182. KROMET-SPOMASZ Catering Industry Machines and Equipment Factory in Krosno Odrzanskie
183. SPOMASZ Food Industry Machines and Equipment Factory in Kanczuga
184. SPOMASZ Milk Production Equipment Factory in Warsaw
185. SPOMASZ Food Industry Machines and Equipment Factory in Belzyce
186. SPOMASZ Food Industry Machines and Equipment Factory in Bydgoszcz
187. SPOMASZ Flour Mill Equipment Works in Torun
188. SPOMASZ Food Industry Machines and Equipment in Znin
189. SPOMASZ Weights Factory in Lublin
190. KOMUNA PARYSKA "ASPA" Welding Equipment Works in Wroclaw
191. MALAPANEW Metallurgical Plant in Ozimek
192. ZABRZE Metallurgical Plant in Zabrze
193. ZYGMUNT Metallurgical Plant in Bytom
194. ZAMET Mechanical Works in Tarnowskie Gory
195. CZESTOCHOWA Machine Construction Combine in Klobuck
196. HUTMASZPROJEKT-HAPEKO Metallurgical Machines and Equipment Designing and Supplies Bureau in Katowice
197. BIERUT Metallurgical Plant in Czestochowa
198. POKOJ Metallurgical Plant in Ruda Slaska
199. NOWOTKO Metallurgical Plant in Ostrowiec Swietokrzyski
200. KOSCIUSZKO Metallurgical Plant in Chorzow
201. FLORIAN Metallurgical Plant in Swietochlowice
202. BOBREK Metallurgical Plant in Bytom
203. JEDNOSC Metallurgical Plant in Siemianowice Slaskie
204. ZAWIERCIE Metallurgical Plant in Zawiercie
205. LABEDY Metallurgical Plant in Zawiercie
205. LABEDY Metallurgical Plant in Gliwice
206. M. BUCZEK Metallurgical Plant in Sosnowiec
207. E. CEDLER Metallurgical Plant in Sosnowiec
208. BATORY Metallurgical Plant in Chorzow-Batory
209. BAILDON Metallurgical Plant in Katowice
210. I-SZY MAJA Metallurgical Plant in Gliwice
211. FERRUM Metallurgical Plant in Katowice
212. LAZISKA Metallurgical Plant in Laziska Gorne
213. SIECHNICE Metallurgical Plant in Siechnice
214. SZCZECIN Metallurgical Plant in Szczecin-Glinki
215. WARSZAWA Metallurgical Plant in Warsaw
216. K. SWIERCZEWSKI Metallurgical Plant In Zawadzkie

217. ZABRZE Coke-Chemical Combine in Zabrze
218. WALBRZYCH Coke Works in Walbrzych
219. 1-SZY MAJA "RACIBORZ" Carbon Electrodes Works in Raciborz
220. Electro-Carbon Works in Nowy Sacz
221. MIASTECZKO SLASKIE Zinc Metallurgical Plant in Tarnowskie Gory
222. SZOPIENICE Nonferrous Metals Metallurgical Plant in Katowice
223. BEDZIN Metallurgical Plant in Bedzin
224. KONIN Aluminum Metallurgical Plant in Konin
225. Metallurgical Plant in Skawina
226. F. DZIERZYNSKI "SZIEDZICE" Metals Rolling Mill in Czechowice-Dziedzice
227. LABEDY Metals Rolling Mill in Gliwice
228. WARSZAWA Metals Rolling Mill in Warsaw
229. ORZEL BIALY Mining and Metallurgical Works in Piekary Slaskie
230. BOLESIAW Mining and Metallurgical Works in Bukowno
231. TRZEBIONKA Mining Works in Trzebinia
232. TRZEBINIA Metallurgical Works in Trzebinia
234. KETY Light Metals Works in Kety
235. BIPROMET Nonferrous Metals Industry Designing Office in Katowice
236. BIPROHUT Metallurgical Industry Designing Office in Gliwice
237. KOKSOPROJEKT Coke-Chemistry Designing Office in Zabrze
238. PROMASZ Metallurgical and Machine Industry Development Studies and Designing Office in Warsaw
239. BIPROSTAL Metallurgical Industry Studies and Designing Bureau in Krakow
240. BIPROMASZ Special Investments Designing and Execution Enterprise in Warsaw
241. Continuous Casting Plant in Drawski Mlyn
242. AGROMET Farming Machines Factory in Kunow
243. AGROMET Harvesting Machines Factory in Poznan
244. AGROMET Farming Machines Industry Metallurgical Works in Poznan
245. M. BUCZEK Cable Factory in Ozarow Mazowiecki
246. Power Cables Factory in Bedzin
247. POLMO Motorization Electrical Engineering Works in Rzeszow
248. POLAR Home Mechanical Equipment Works in Wroclaw
249. EDA Home Mechanical Equipment Works in Poniatowa
250. PREDOM-ZELMER Home Mechanical Equipment Works in Rzeszow
251. PONAR-ZYWIEC Injection Molding Machines Factory in Zywiec
252. SILESIA Zink Works in Katowice
253. Motorization Equipment Works in Katowice
254. BUMAR-WARYNSKI Excavators and Applied Hydraulics Works in Warsaw
255. BUMAR-PADROMA Construction Machines Factory in Wroclaw
256. TECHMA-ZUGIL Galvanic and Varnishing Works in Wielun
257. KOKSOREM Coke Repair Equipment Enterprise in Knurów
258. Meta-lurgy Construction-Assembly Enterprise in Gliwice
259. Metallurgy Construction-Assembly Enterprise No. 2 in Czestochowa
260. Ore Mine Construction Enterprise in Bytom
261. Ore Mine Construction Enterprise in Czestochowa
262. BUDIMOR Shipbuilding Industry Repair-Assembly Enterprise in Gdansk
263. TASKAMONT Rolling Stock Industry Repair-Assembly Enterprise in Poznan
264. TECHMA-WIELUN Machine Industry Modernization Enterprise in Wielun
265. TECHMA-LUBLIN Machine Industry Modernization Enterprise in Lublin
266. Metallurgy Construction Transportation-Equipment Enterprise in Czestochowa

267. KOMBEX Industrial Facilities Execution Enterprise in Czestochowa
268. CHEMADIN Chemical Equipment Construction Industry Repair-Construction Enterprise in Kielce
269. TECHMOR Experiments-Production Works in Gdansk
270. PZL-WARSZAWA-OKECIE Transportation Equipment Factory in Warsaw
271. WYKROMET Mechanical Equipment Factory in Czestochowa
272. EMA-BELMA Electromechanical Works in Rydgoszcz
273. PREDOM-PREMET Precision Products Factory in Pieszyce
274. POLMATEX-DEFKA Lower Silesian Lathe Factory in Dzierzoniow
275. POLMATEX-FALUBAZ Cotton Carding Machines Factory in Zielona Gora
276. FAPIT Piston-Rings Factory in Lodz
277. EMA-SILMA Small Power Electric Engines Plant in Sosnowiec
278. EMA-TAMEL Electric Engines Factory in Tarnow
279. MERA-ZAP Industrial Automation Works in Ostrowiec Wielkopolski
280. POWSTANCY WIELKOPOLSCY "PONAR-WIEPOFAMA" Machine Tools Factory in Poznan
281. PONAR-REMO Machine Tools Park Management Combine in Warsaw
282. PONAR-AVIA Precision Machine Tools Factory in Warsaw
283. PONAR-ZAWIERCIE Heavy Machine Tools Factory in Zawiercie
284. ST. KRZYNOWEK "PONAR-DEFUN" Machine Tools Factory in Dabrowa Gornicza
285. PZL-MIELEC Transportation Equipment Factory in Mielec-Cyranka

III. Chemical and Light Industry Enterprises

1. Mazovian Refinery and Petrochemical Works in Plock
2. OSWIECIM Chemical Works in Oswiecim
3. F. DZIERZYNSKI Nitrogen Works in Pulawy
4. PULAWY Nitrogen Works in Pulawy
5. KEDZIERZYN Nitrogen Works in Kedzierzyn
6. Refinery Works in Gdansk
7. WLOCLAWEK Nitrogen Works in Wloclawek
8. BLACHOWNIA Chemical Works in Kedzierzyn-Kozle
9. PAWEL FINDER Nitrogen Works in Chorzow
10. L. WARYNSKI Silesian Refinery Works in Czechowice-Dziedzice
11. TRZEBINIA Napthalene Refinery in Trzebinia
12. I. LUKASIEWICZ Subcarpathian Refinery Works in Jaslo
13. JEDLICZE Napthalene Refinery Works in Jedlicze
14. GLINIK Napthalene Refinery in Glinik
15. NAFTOBUDOWA Chemical Industry Investments-Repairs Enterprise in Krakow
16. SIARKOPOL Sulphur Mines and Processing Works in Tarnobrzeg
17. HYDROKOP Chemical Raw Materials Mining Specialized Enterprise in Krakow
18. SIARKOPOL Sulphur Mine in Grzybow
19. SIARKOPOL Industrial-Trade Enterprise in Gdansk
20. BASZNIA Sulful Mine in Smolinka Gorna
21. B. KRUPINSKI Salt Mines in Inowroclaw
22. KLODAWA Slat Mine in Klodawa
23. Soda Works in Krakow
24. Chemical Works in Inowroclaw
25. Soda Works in Janikow
26. ALWERNIA Chemical Works in Alwernia
27. POLCHEM Nonorganic Industry Works in Torun

28. Nonorganic Industry Works in Wroclaw
29. POLICE Chemical Works in Police
30. Poznan Phosphorus Fertilizer Works in Lubon
31. Phosphorus Fertilizer Works in Gdansk
32. MONTOKWAS Nonorganic Industry Assembly Operations Enterprise in Katowice
33. ORGANIKA-ZACHEM Chemical Works in Bydgoszcz
34. ORGANIKA-ZACHEM Chemical Works in Nowa Sarzyna
35. ORGANIKA-AZOT Chemical Works in Jaworzno
36. ORGANIKA-BORUTA Dye Industry Works in Zgierz
37. ORGANIKA-ROKITA Organic Industry Works in Brzeg Dolny
38. KRYWALD-ERG Plastics Works in Knurów
39. NITRON-ERG Plastics Works in Krupski Mlyn
40. BORYSZEW-ERG Plastics Works in Sochaczew
41. GAMRAT-ERG Plastics Works in Jaslo
42. ERG Plastics Works in Gliwice
43. ERG Plastics Works in Wabrzezno
44. ZABKOWICE-ERG Plastics Works in Dabrowa Gornicza
45. ERG Plastics Works in Pustkow
46. BOHATEROWIE STUDZIANEK "PRONIT" Plastics and Paint Works in Pionki
47. RAFFIL Paint and Varnish Factory in Radom
48. POLIFARB Paint and Varnish Factory in Debica
49. Plastics and Paint Factory in Zloty Stok
50. POLIFARB Paint Factory in Wloclawek
51. POLIFARB Paint and Varnish Factory in Wroclaw
52. POLIFARB-OLIWA Paint Factory in Gdynia
53. POLIFARB Paint and Varnish Factory in Cieszyn
54. POLIFARB Paint and Varnish Works in Pilawa
55. Graphics Paints Plant in Warsaw
56. HAJDUKI Chemical Works in Chorzow
57. BITOERG Chemical Industry Construction-Assembly Specialized Enterprise in Bialym
58. CHEMITEX-WOSTOM Chemical Fibers Works in Tomaszow Mazowiecki
59. ANILANA Chemical Fibers Works in Lodz
60. STILON Chemical Fibers Works in Gorzow
61. ELANA Chemical Fibers Works in Torun
62. CHEMITEX Chemical Fibers Industry Modernization and Repair Enterprise in Jelenia Gora
63. POLFA Pharmaceutical Works in Tarchomin
64. POLFA Pharmaceutical Works in Pabianice
65. POLFA Pharmaceutical Works in Starogard Gdanski
66. POLFA Pharmaceutical Works in Jelenia Gora
67. POLFA Pharmaceutical Works in Warsaw
68. POLFA Works in Kutno
69. POLFA Pharmaceutical Works in Poznan
70. STOMIL Tire Factory in Poznan
71. STOMIL Tire Factory in Debica
72. STOMIL Tire Factory in Olsztyn
73. STOMIL Rubber Industry Plant in Bydgoszcz
74. STOMIL Rubber Industry Plant in Wolbrom
75. STOMIL Rubber Industry Plant in Sambr
76. STOMIL Rubber Industry Plant in Krakow

77. STOMIL Rubber Industry Plant in Lodz
78. STOMIL Rubber Industry Plant in Grudziadz
79. STOMIL Technical Fibers Plant in Zawiercie
80. METALCHEM Chemical Equipment Plant in Kedzierzyn-Kozie
81. METALCHEM Chemical Equipment Plant in Torun
82. METALCHEM Chemical Equipment Plant in Opole
83. METALCHEM Chemical Equipment Plant in Dosciana
84. METALCHEM Chemical Equipment Plant in Annopol
85. BUDOCHEM Construction-Assembly Enterprise in Radom
86. CHEMOMONTAZ Assembly Operations Enterprise in Radom
87. Chemical Industry Investments Projects and Realization Enterprise in Warsaw
88. PRZYJAZN Pipeline Development CPN Enterprise in Plock
89. POLGAZ Technical Gases United Works in Gliwice
90. POLSKIE ODCZYNNIKI CHEMICZNE [Polish Chemical Reagents] Industrial Trade Enterprise in Gliwice
91. OBRONCHY POKOJU Cotton Industry Works in Lodz
92. JULIAN MARCHLEWSKI "POLTEX" Cotton Industry Works in Lodz
93. F. DZIERZYNSKI "ESKIMO" Cotton Industry Works in Lodz
94. I-SZY MAJA Cotton Industry Works in Lodz
95. ARMIA LUDOWA "ALBA" Cotton Industry Works in Lodz
96. BOJOWNICY REQOLUCJI 1905 "POTOMEX" Cotton Industry Works in Pabianice
97. ZWOLTEX Cotton Industry Works in Zdunska Wola
98. NAREW Cotton Industry Works in Lomza
99. REQOLUCJA PAZDZIERNIKOWA Cotton Industry Works in Zambrow
100. FASTY Cotton Industry Works in Bialystok
101. ANDROPOL Cotton Industry Works in Andrychow
102. Z. MODZELEWSKI "CEBA" Cotton Industry Works in Czestochowa
103. II ARMY "BIELBAW" Cotton Industry Works in Bielawa
104. DABROWSZCZACY "BIELTEX" Cotton Industry Works in Bielawa
105. NORBERT BALICKI "NORBELANA" Wool Industry Works in Lodz
106. JOZEF NIEDZIELSKI "TEXTILPOL" Wool Industry in Lodz
107. GWARDIA LUDOWA "POMERION" Worsted Spinning Mill in Lodz
108. ARELAN Worsted Spinning Mill in Lodz
109. POLANIL Anilana Worsted Spinning Mill in Lodz
110. MAZOVIA Wool Industry Works in Tomaszow Mazowiecki
111. MARCELI NOWOTKO "TOMTEX" Wool Industry Works in Tomaszow Mazowiecki
112. MERINOTEX Worsted Spinning Mill in Torun
113. BAWELANA Wool Industry Works in Bielsko-Biala
114. JOZEF KLUSKA "MERILANA" Wool Industry Works in Bielsko-Biala
115. JOZEF NIEDZIELSKI "WELUX" Wool Industry Works in Bielsko-Biala
116. JOZEF MAGI "BIELSKA DZIANINA" Wool Industry Works in Bielsko-Biala
117. HANKA SAWICKA "WELDORO" Worsted Spinning Mill in Bielsko-Biala
118. MARIA KOSZUTSKA "ELANEX" Worsted Spinning Mill in Czestochowa
119. WELNOPOL Worsted Spinning Mill in Czestochowa
120. A. KOWALCZYK "INTERFEX" Worsted Spinning Mill in Sosnowiec
121. POLITEX Worsted Spinning Mill in Sosnowiec
122. ANILUX Worsted Spinning Mill in Jelenia Gora
123. POLSKA WELNA Wool Industry Works in Zielona Gora
124. REWOLUCJA 1905 "ZYRARDOW" Flax Industry Works in Zyrardow
125. LENKO Flax Industry Works in Bielsko-Biala

126. STRADOM Flax Industry Works in Czestochowa
127. ODRA Thread Factory in Nowa Sol
128. LUDWIK WARYNSKI "KROSNOLEN" Flax Industry Works in Krosno-on-Wislok
129. CEMELA Flax Industry Worsk in Walbrzych
130. LENTEX Silesian Flax Industry Works in Lubliniec
131. LENPOL Northern Flax Industry Works in Szczytno
132. HANKE SAWICKA "ARIADNA" Widzew Thread Factory in Lodz
133. PIERWSZA Silk Industry Works in Lodz
134. GEN WALERIAN WROBLEWSKI "ORTAL" Silk Industry Works in Lodz
135. SILWANA Silk Industry Works in Gorzow Wielkopolski
136. RUNOTEX Fleece Products Factory in Kalisz
137. M. KASPRZAK Technical Textile Works in Zyrardow
138. ESKORD Technical Textiles Works in Ilowa Zaganska
139. Technical Textile Works in Pabianice
140. Olaszyn Fishing Nets Plants in Korsze
141. BEZALIN Ropes and Belts Factory in Bielsko-Biala
142. GUMOWNIA Technical Clothing Factory in Trzebinia
143. Technical and Tourist Equipment Factory in Legionowo
145. Technical Clothing Factory in Lubawa
146. Dressing Material Factory in Pabianice
147. Dressing Materials Factory in Torun
148. Dressing Materials Factory in Czechowice-Dziedzice
149. SANWIL Coated Products Factory in Przemysl
150. OLIMPIA Knitting Industry Plant in Lodz
151. TEOFILOW Textile Industry Works in Lodz
152. FENIKS Knitting Industry Works in Lodz
153. BISTONA Knitting Industry Works in Lodz
154. SANDRA Knitting Industry Works in Aleksandrow Lodzki
155. SIGMATEX Knitting Industry Works in Piotrkow Trybunalski
156. WEL-TEX Worsted Spinning Mill in Wroclaw
157. RAFINO Clothing Industry Works in Bydgoszcz
159. CONFEX Clothing Industry Works in Jelenia Gora
160. ENFOR Clothing Industry Works in Lodz
161. A. PROCHNIK Clothing Industry Works in Lodz
162. WOLCZANKA Clothing Industry United Works in Lodz
163. CORA Clothing Industry Works in Warsaw
164. POLDRES Clothing Industry Works in Zyrardow
165. CHELMIEK Northern Leather Industry Works in Chelmek
166. RADOSKOR Leather Industry Works in Radom
167. SKOGAR Leather Industry Works in Lodz
168. TOMSKOR Leather Industry Works in Tomaszow Mazowiecki
169. M. BUCZEK Leather Industry Works in Lublin
170. KOBRA Pomeranian Leather Industry Works in Bydgoszcz
171. ITMET Silesian Leather Industry Works in Krapkowice
172. PROHAI Leather Industry Works in Nowy Targ
173. ALKA Northern Leather Industry Works in Slupsk
174. SYRENA Leather Industry Works in Warsaw
175. TIRNEM Industry Works in Wlodawa
176. Shoe Factory in Skarzysko-Kamienna
177. PKWN Shoe Factory in Chelm
178. LUKBIT Leather Industry Works in Lukow

179. ARTECH Technical Products Plant in Lodz
180. ZAMPOL Zipper Factory in Cieszyn
181. FAMID Needle and Knitting Machine Spare Parts Factory in Lodz
182. PROTOMET Prototypes and Light Industry Equipment Factory in Lodz
183. UNIPROT Light Industry Technical Equipment Factory in Lodz
184. KALIMET Textile Machines Parts and Metal Casting Plant in Kalisz
185. OPOCZNO Ceramic Tiles Factory Complex in Opoczno
186. Porcelain and Porcelanite Works in Chodzież
187. Glass Works in Krosno
188. UJSCIE Glass Works in Ujscie
189. SANDOMIERZ Window Glass Works in Sandomierz
190. S. PAPLINSKI Glass Works in Wolomin
191. METALCHEM Chemical Machines Plant in Gliwice
192. METALCHEM Chemical Machines Plant in Poxnan
193. METALCHEM Chemical Automation Plant in Gliwice
194. KUNICE Window Glass Works in Zary
195. ERG Plastics Plant in Tychy
196. BYTOM Clothing Industry Works in Bytom
197. VISTULA Clothing Industry Works in Krakow
198. STOMIL Rubber Industry Works in Piastow
199. VERA Upholstery Products Factory in Lodz
200. ATRA Graphics Paints Factory in Torun

IV. Building and Building Materials Industries Enterprises

1. Building Combine in Bytom
2. Building Combine in Chorzow
3. Building Combine in Gliwice
4. Building Combine in Katowice
5. ROW General Building Combine in Rybnik
6. ZAGLEBIE General Building Combine in Sosnowiec
7. GOP-POLUDNIE General Building Combine in Tychy
8. Municipal Engineering Combine in Gliwice
9. Municipal Engineering Combine in Katowice
10. Engineering Operations Enterprise in Sosnowiec
11. Building Enterprise in Chrzanow
12. BUDOSTAL-7 Completion Operations Enterprise in Krakow
13. Building Enterprise in Raciborz
14. Facade Operations Enterprise in Bytom
15. Electrical Installations Enterprise in Gliwice
16. Municipal Construction Sanitation Installations Enterprise in Gliwice
17. Municipal Construction Machines Management Enterprise in Katowice
18. Municipal Building Sanitation Installations Enterprise in Katowice
19. Building Materials Enterprise in Chorzow
20. Sanitation Facilities Enterprise in Rzeszow
21. Engineering Operations Enterprise in Rzeszow
22. Electrical Operations Enterprise in Rzeszow
23. WARSZAWA-POLNOC Municipal Building Combine in Warsaw
24. WARSZAWA-SRODMIESCIE Municipal Building Combine in Warsaw
25. WARSZAWA-POLUDNIE Municipal Building Combine in Warsaw
26. WARSZAWA-WSCHOD Municipal Building Combine in Warsaw

27. WARSZAWA-ZACHOD Municipal Building Combine in Warsaw
28. Mazovian Building Combine in Legionowo
29. Mazovian Industrialized Building Enterprise in Pruszkow
30. Building Sanitation Installations Combine in Warsaw
31. Building Engineering Operations Enterprise in Warsaw
32. Building Facade Operations Enterprise in Warsaw
33. INZYNIERIA Engineering Operations Enterprise in Warsaw
34. Mechanized Operations and Machines Management Enterprise in Kielce
35. Building Electrical Installations Enterprise in Warsaw
36. DZWIGAR General Building Enterprise in Warsaw
37. BESKID General Combine in Bydgoszcz
39. Engineering Building Enterprise in Bydgoszcz
40. Installation Building in Bydgoszcz
41. Building Combine in Gdynia
42. Housing Building Combine in Gdansk
43. Municipal Building Combine in Kielce
44. Building Combine in Kielce
45. Housing Building Combine in Krakow
46. ZACHOD Housing Building Combine in Krakow
47. Building Combine in Krosno
48. Building Enterprise in Legnica
49. Building Combine in Lublin
50. SRODMIESCIE Building Combine in Lodz
51. POLNOC Building Combine in Lodz
52. WSCHOD Building Combine in Lodz
53. POLUDNIE Building Combine in Lodz
54. ZACHOD Building Combine in Lodz
55. Building Combine in Opole
56. Building Combine in Plock
57. Building Combine in Poznan
58. POZNAN-CENTRUM Building Combine in Poznan
59. POZNAN-POLNOC Building Combine in Poznan
60. POZNAN-WSCHOD Building Combine in Poznan
61. Building Combine in Radom
62. Building Enterprise in Radom
63. General Building Combine in Szczecin
64. General Building Enterprise No. 2 in Szczecin
65. General Building Enterprise No. 3 in Szczecin
66. Engineering Operations Enterprise in Szczecin
67. General Building Enterprise in Szczecin
68. General Building Enterprise in Stargard Szczecinski
69. Building Combine in Torun
70. Building Enterprise in Walbrzych
71. Building Combine in Wroclaw
72. Industrialized Building Enterprise in Wroclaw
73. Building Enterprise in Wroclaw
74. POLNOC Building Enterprise in Wroclaw
75. Sanitation Installations Enterprise in Bialystok
76. Engineering Operations Enterprise in Bialystok
77. BUDPOL-BYDGOSZCZ Public Utility Facilities Building Enterprise in Bydgoszcz

78. BUDOPOL-POZNAN Public Utility Facilities Building Enterprise in Poznan
79. Industrial Building Enterprise in Bydgoszcz
80. Industrial Building Enterprise No. 1 in Poznan
81. KULAWY Industrial Building Enterprise in Brzez near Wloclawek
82. HYDROBUDOWA Industrial Building Engineering Operations Enterprise in Poznan
83. Industrial Installations Enterprise in Poznan
84. HYDROBUDOWA Industrial Building Engineering Operations Enterprise in Wloclawek
85. Industrial Building Enterprise in Katowice
86. Industrial Building Enterprise No. 1 in Opole
87. HYDROBUDOWA-SLASK 1 Industrial Building Engineering Operations Enterprise in Katowice
88. Industrial Building Enterprise in Bielsko-Biala
89. Engineering Operations Enterprise in Tychy
90. Industrial Building Enterprise in Czestochowa
91. BUDOSTAL 1 Industrial Building Enterprise in Krakow
92. BUDOSTAL 2 Industrial Building Enterprise in Krakow
93. BUDOSTAL 4 Industrial Building Enterprise in Dabrowa Gornicza
94. KABLOBETOWN Industrial Building Enterprise in Warsaw
95. ZELBET Industrial Building Enterprise in Warsaw
96. HYDROCENTRUM Industrial Building Engineering Operations Enterprise in Warsaw
97. PETROBUDOWA Industrial Building Enterprise in Plock
98. Industrial Building Enterprise in Lodz
99. CHEMOBUDOWA-KRAKOW Industrial Building Enterprise in Krakow
100. Industrial Building Enterprise in Rzeszow
101. Industrial Building Enterprise in Tarnobrzeg
102. Industrial Building Enterprise in Kielce
103. Nowa Huta MONTIN Industrial Installations Enterprise in Krakow
104. Mechanized Engineering Operations Enterprise in Krakow
105. Industrial Building Enterprise in Gdansk
106. Industrial Building Enterprise in Gdynia
107. Industrial Building Enterprise in Lublin
108. Industrial Building Enterprise in Bialystok
109. Industrial Building Engineering Operations Enterprise in Bialystok
110. Industrial Building Enterprise No 1 in Wroclaw
111. Industrial Installations Enterprise in Wroclaw
112. Industrial Building Enterprise in Szczecin
113. Industrial Installations Enterprise in Zielona Gora
114. INSTAL Industrial Installations Enterprise in Katowice
115. INSTAL Industrial Installations Enterprise in Rzeszow
116. INSTAL Industrial Installations Enterprise in Warsaw
117. INSTAL Industrial Installations Enterprise in Szczecin
118. INSTAL Industrial Installations Enterprise in Krakow
119. IZOLACJA-INSTAL Thermoinsulating and Anticorrosive Operations Enterprise in Plock
120. ELEKTROMONTAZ Building Electric Equipment Production and Assembly Enterprise in Warsaw
121. ELEKTROMONTAZ No. 3 Building Electric Equipment Production and Assembly Enterprise in Warsaw

122. ELEKTROMONTAZ No. 1 Building Electric Equipment Production and Assembly Enterprise
123. ELEKTROMONTAZ No. 2 Building Electric Equipment Production and Assembly Enterprise in Krakow
124. ELEKTROMONTAZ Building Electric Equipment Production and Assembly Enterprise in Poznan
125. ELEKTROMONTAZ Building Electric Production and Assembly Enterprise in Bydgoszcz
126. MOSTYSTAL Steel Building and Industrial Equipment Enterprise in Warsaw
127. MOSTYSTAL Steel Building and Industrial Equipment Enterprise in Bedzin
128. MOSTYSTAL Steel Building, Industrial and Cooling Equipment Enterprise in Wroclaw
129. MOSTYSTAL Silesian Steel Building and Industrial Equipment Enterprise in Zabrze
130. MUSTYSTAL Steel Building and Industrial Equipment Enterprise in Krakow
131. MUSTYSTAL Steel Building and Industrial Equipment Enterprise in Gdansk
132. Industrial Furnaces Building Enterprise in Wroclaw
133. Industrial Furnaces Building Enterprise in Krakow
134. Industrial Furnaces Building Enterprise in Bydgoszcz
135. ENERGOPOL 2 Hydratechnic and Power Pipelines Building Enterprise in Krakow
136. ENERGOPOL 7 Hydratechnic and Power Pipelines Building Enterprise in Poznan
137. ENERGOPOL 6 Hydratechnic and Power Pipelines Building Enterprise in Katowice
138. ENERGOPOL Hydratechnic and Power Pipelines Building Headquarters in Katowice
139. CHELM Cement Combine in Chelm
140. ELJAWY Cement-Line Combine in Bielawy
141. WARTA Cement-Line Combine in Dzialoszyn
142. Gypsum-Chalk Combine in Gacki
143. GONIADELE Cement-Line Works in Chorula
144. UCARNA Cement Plant in Ozarow
145. STRZELCE OPOLSKIE Cement Plant in Strzelce Opolskie
146. KARSZAWA Cement Plant in Warsaw
147. PREFABRY-KARSZAWA Concrete Industry Enterprise
148. FALIBET Zeram Concrete Elements Factory in Warsaw
149. IZOPOL Pomeranian Insulating Materials Plant in Trzemeszno
150. IZOLACJA Building Insulation Materials Enterprise in Gliwice
151. IZOLACJA Building Insulation Materials in Nidzica
152. TRUBNIAWICA Pipe Industry Works in Sitkowa
153. IZOLACJA Building Insulation Materials Enterprise--under construction--in Zielona Gora
154. IZOLACJA Watertight Insulation Materials Enterprise in Zdunska Wola
155. IZOLACJA-WATIZOL Insulation Materials Enterprise in Gorlice
156. KAMENI Wroclaw Stone Combine in Krakow
157. Asbestos-Cement Products Plant in Malbork
158. METALPLAST-BIELSKO Building Equipment Elements Plant in Bielsko-Biala
159. METALPLAST Light Steel Building General Building Facilities Production Plant in Opole
160. METALPLAST-BIELSKO Building Equipment Elements Plant in Zestockowa

161. ZREMB Power Units and Spare Parts Factory in Poznan
162. ZREMB Passenger Elevators Combine in Warsaw
163. ZREMB Building Machines Repair Enterprise in Ciechanow
164. ZREMB Casting Works in Krakow
165. ZREMB Mechanization Building Plant in Warsaw
166. ZREMB-MAKRUM Pomeranian Machine Building Plant in Bydgoszcz
167. ZREMB-FAMABUD Building Machine Factory in Szczecin
168. ZREMB Building Mechanization Works in Radom
169. ZREMB Building Technical Supplies Enterprise in Warsaw
170. TRANSBUD-BIELSKO-BIALA Building Transport-Equipment Enterprise in Bielsko-Biala
171. TRANSBUD-BIALYSTOK Building Transport-Equipment Enterprise in Bialystok
172. TRANSBUD-BYDGOSZCZ Building Transport-Equipment Enterprise in Bydgoszcz
173. TRANSBUD-CZESTOCHOWA Building Transport-Equipment Enterprise in Czestochowa
174. TRANSBUD-GDANSK Building Transport-Equipment Enterprise in Gdansk
175. TRANSBUD-KATOWICE Building Transport-Equipment Enterprise in Katowice
176. TRANSBUD-KATOWICE-BRUNOW Building Transport-Equipment Enterprise in Katowice
177. TRANSBUD-KIELCE Building Transport-Equipment Enterprise in Kielce
178. TRANSBUD-KOSZALIN Building Transport-Equipment Enterprise in Kielce
179. TRANSBUD-KRAKOW Building Transport-Equipment Enterprise in Krakow
180. TRANSBUD-NOWA HUTA Building Transport-Equipment Enterprise in Nowa Huta
181. TRANSBUD-LUBLIN Building Transport-Equipment Enterprise in Lublin
182. TRANSBUD-LODZ Building Transport-Equipment Enterprise in Lodz
183. TRANSBUD-BELCHATOW Building Transport-Equipment Enterprise in Lodz
184. TRANSBUD-OLSZTYN Building Transport-Equipment Enterprise in Olsztyn
185. TRANSBUD-OPOLE Building Transport-Equipment Enterprise in Opole
186. TRANSBUD-PLOCK Building Transport-Equipment Enterprise in Plock
187. TRANSBUD-POZNAN Building Transport-Equipment Enterprise in Poznan
188. TRANSBUD-PULAWY Building Transport-Equipment Enterprise in Pulawy
189. TRANSBUD-RADOM Building Transport-Equipment Enterprise in Radom
190. TRANSBUD-RZESZOW Building Transport-Equipment Enterprise in Rzeszow
191. TRANSBUD-SOSNOWIEC Building Transport-Equipment Enterprise in Sosnowiec
192. TRANSBUD-SZCZECIN Building Transport-Equipment Enterprise in Szczecin
193. TRANSBUD-WARSZAWA Building Transport-Equipment Enterprise in Warszawa
194. TRANSBUD-WLOCLAWEK Building Transport-Equipment Enterprise in Wloclawek
195. TRANSBUD-WROCLAW Building Transport-Equipment Enterprise in Wroclaw
196. TRANSBUD-ZIELONA GORA Building Transport-Equipment Enterprise in Zielona Gora
197. TRANSBUD Technical Base Enterprise in Warsaw
198. Pomeranian Machine Management Enterprise in Bydgoszcz
199. BUDOSTAL 8 Mechanized Operations Enterprise in Krakow
200. DZWIG Mechanized Operations and Building Equipment
201. ZACHOD Industrial Building Mechanized Operations Enterprise in Wroclaw
202. CENTRUMEXPORT Industrial Building Design and Technical Services Office in Warsaw

V. Transport and Communications Enterprises

1. State Automobile Transport Enterprise in Bialystok
2. State Automobile Transport Enterprise in Gdansk

3. State Automobile Transport Enterprise in Bydgoszcz
4. State Automobile Transport Enterprise in Katowice
5. State Automobile Transport Enterprise in Kielce
6. State Automobile Transport Enterprise in Krakow
7. State Automobile Transport Enterprise in Koszalin
8. State Automobile Transport Enterprise in Lublin
9. State Automobile Transport Enterprise in Lodz
10. State Automobile Transport Enterprise in Olsztyn
11. State Automobile Transport Enterprise in Opole
12. State Automobile Transport Enterprise in Poznan
13. State Automobile Transport Enterprise in Rzeszow
14. State Automobile Transport Enterprise in Szczecin
15. State Automobile Transport Enterprise in Warsaw
16. State Automobile Transport Enterprise in Wroclaw
17. State Automobile Transport Enterprise in Zielona Gora
18. National Dispatching Enterprise in Warsaw
19. PEKAES International Automobile Transport Enterprise in Warsaw
20. Automobile Repair Works in Elblag
21. Gdansk Automobile Repair Works in Gdynia
22. Automobile Repair Works in Kielce
23. Automobile Repair Works in Koszalin
24. Automobile Repair Works in Lublin
25. Automobile Repair Works in Olsztyn
26. Automobile Repair Works in Opole
27. Automobile Repair Works in Oswiecim
28. Automobile Repair Works in Radom
29. Automobile Repair Works in Rzeszow
30. Sacz Bus Repair Works--under construction--in Nowy Sacz
31. Automobile Repair Works in Boguchwala
32. Automobile Repair Works in Zawiercie
33. POWSTANCY WIELKOPOLSCY Railroad Car Repair Works in Ostrow Wielkopolski
34. Road Work Enterprise in Gdansk
35. Road Work Enterprise in Krakow
36. Road Work Enterprise in Poznan
37. Road Work Enterprise in Rzeszow
38. Silesian Road Work Enterprise in Mikolow
39. Road Work Enterprise in Warsaw
40. Bridge Work Enterprise in Kielce
41. Bridge Work Enterprise in Polck
42. Road and Bridge Building Enterprise in Wroclaw
43. DROMEX Transport Building Export Enterprise in Warsaw
44. Road Building Transport Enterprise in Warsaw
45. ZEGLUGA NA ODRZE State Enterprise in Wroclaw
46. ZEGLUGA BYDGOSKA State Enterprise in Bydgoszcz
47. NAWIGA Investment and Export Delivery Enterprise in Wroclaw
48. Signal Equipment Manfacotry in Katowice
49. DRUKARNIE KOLEJOWE Enterprise in Warsaw
50. WARS Restaurant and Sleeping Car Enterprise in Warsaw
51. MADRO Road Machine Building and Repair Works in Krakow
52. KOPALNIE SKALNYCH SUROWCOW DROGOWYCH Enterprise in Wroclaw
53. ZARAT State Radio and Television Works Enterprise in Warsaw

54. KOMUNA PARYSKA "TELKOM-ZWUT" Telephone Equipment
55. TELKOM-TELFA Tele-Electronics Works in Bydgoszcz
56. GEN. K. SWIERCZEWSKI "TELKOM-TELETRA" Wielkopolska Tele-Electronics Works in Poznan
57. TELKOM-PZT State Teletransmission Works in Warsaw
58. TELKOM-RWT Telephone Factory in Radom
59. TELKOM-TELOS Tele-Electronics Works in Krakow
60. TELKOM-TELMONT Tele-Electronics Equipment Assembly Enterprise in Warsaw
61. TELKOM-TELPRO Research-Design Center for the Tele-Electronics Industry in Warsaw
62. TELKOM-TELMOR Tele-Electronics Works in Gdansk
63. TELKOM-TELCZA Teletechnical Subassembly and Equipment Works in Czaplinek
64. TELKOM-TELCENT Tele-Electronic Equipment Manufactory in Kobylka
65. TELKOM-TELZAS Telecommunications Feeding Equipment Works in Szczecinek
66. Communications Automobile Transport Enterprise No. 1 in Warsaw
67. Communications Automobile Transport Enterprise No. 2 in Warsaw
68. Communications Automobile Transport Enterprise No. 3 in Bydgoszcz
69. Communications Automobile Transport Enterprise No. 4 in Gdansk
70. Communications Automobile Transport Enterprise No. 5 in Krakow
71. Communications Automobile Transport Enterprise No. 6 in Lublin
72. Communications Automobile Transport Enterprise No. 7 in Lodz
73. Communications Automobile Transport Enterprise No. 8 in Olsztyn
74. Communications Automobile Transport Enterprise No. 9 in Poznan
75. Communications Automobile Transport Enterprise No. 10 in Katowice
76. Communications Automobile Transport Enterprise No. 11 in Szczecin
77. Communications Automobile Transport Enterprise No. 12 in Wroclaw
78. Communications Automobile Transport Base Enterprise in Ostrow Wielkopolski
79. Telecommunications Operations Enterprise in Gdansk
80. Telecommunications Operations Enterprise in Katowice
81. Telecommunications Operations Enterprise in Krakow
82. Telecommunications Operations Enterprise in Lodz
83. Telecommunications Operations Enterprise in Poznan
84. Telecommunications Operations Enterprise in Warsaw
85. Telecommunications Operations Enterprise in Wroclaw
86. Cable Line Building Enterprise in Warsaw
87. Prefabricated Elements of the Telecommunications Building Factory in Radom

VI. Forestry and Wood Industry Enterprises

1. Wood Industry Enterprise in Barlinek
2. Wood Industry Enterprise in Bialystok
3. GEN. K. SWIERCZEWSKI Bieszczady Wood Industry Enterprise in Rzepedz
4. Lower Silesian Wood Industry Enterprise in Wroclaw
5. Wood Industry Enterprise in Gdansk
6. Wood Industry Enterprise in Gorzow Wielkopolski
7. J. MARCHLEWSKI Wood Industry Enterprise in Jahnówka
8. Wood Distillation Enterprise in Hajnowka
9. Wood Industry Enterprise in Katowice
10. Koszalin Wood Industry Enterprise in Szczecinek

11. Wood Industry Enterprise in Krakow
12. Wood Industry Enterprise in Lublin
13. Wood Industry Enterprise in Lodz
14. Wood Industry Enterprise in Olsztyn
15. Wood Industry Enterprise in Opole
16. Pila Wood Industry Enterprise in Zlotow
17. Wood Industry Enterprise in Przemysl
18. Wood Industry Enterprise in Radom
19. SLAWODRZEW Wood Industry Enterprise in Slawno
20. Slupsk Wood Industry Enterprise in Lebork
21. Wood Industry Enterprise in Starachowice
22. Wood Industry Enterprise in Szczecin
23. Wood Industry Enterprise in Torun
24. Wielkopolski Wood Industry Enterprise in Poznan
25. Wood Industry Enterprise in Zielona Gora
26. Wood Industry Enterprise--under construction--in Ustjanowa
27. Furniture Accessories Factory in Chelmno
28. GWARDIA Ludowa Furniture Industry Works in Radomsk
29. TRANSMUBLE Furniture Industry Automobile Transport Enterprise in Poznan
30. Fiberboard Works in Koniecpol
31. Fiberboard and Particle Board Works in Czarnkow
32. CZARNA WODA Fiberboard Works in Czarna Woda
33. Fiberboard and Particle Board Works in Karlin
34. Fiberboard and Particle Board Works in Ruciane-Nida
35. Particle Board Works in Szczecinek
36. Particle Board Works in Suwalki
37. Particle Board Works in Jaslo
38. Particle Board Works in Grajewo
39. Particle Board Works in Wieruszowo
40. Particle Board Works--under construction--in Zary
41. Plywood Industry Works in Orzechow
42. Plywood Industry Works in Pisz
43. Plywood Industry Works in Bialystok
44. Plywood and Wood Chemical Processing Works in Bydgoszcz
45. Repair-Assembly Works of Boards, Plywood and Matches Industry in Koniecpol
46. J. DABROWSKI Paper Works in Klucze
47. Paper Works in Glucholazy
48. Cellulose-Paper Works in Kalety
49. Karkonosian Paper Works in Jelenia Gora
50. Paper Works in Kostrzyn-on-Odra
51. Paper Works in Myszkow
52. Cellulose Works in Niedomice
53. Cellulose-Paper Works in Ostroleka
54. Szczecin Paper Works in Szczecin-Skolwin
55. J. JAWORSKI Warsaw Paper Works in Konstancin-Jeziorno
56. Cellulose-Paper Works in Swiec-on-Vistula
57. J. Marchlewski Cellulose-Paper Works in Wloclawek
58. Paper Works in Krapkowice
59. Paper Industry Mechanical Works in Poznan
60. Paper Industry Mechanical Works in Krapkowice

61. Paper Works in Zywiec
62. Cellulose Paper Works--under construction--in Kwidzyn
63. MALTA Paper Factory in Poznan
64. Wood Working Machine Factory in Bydgoszcz
65. Forestry Machine Industry Works in Hajnowka
66. Forestry Machine Industry Works in Jarocin
67. PEMAL Forestry Machine Industry Works in Malbork
68. Forestry Machine Industry Works in Reszel
69. Forestry Machine Industry Works in Slupsk
70. Sopot Forestry Machine Industry Works in Gdansk-Oliwa
71. Forestry Machine Industry Works in Wroclaw
72. Machine and Equipment Factory in Znin
73. BIPRODRZEW Office of Studies and Projects of the Wood Industry in Warsaw

VII. Agricultural and Food Economy Enterprises

1. Regional Meat Industry Enterprise in Bialystok
2. Regional Meat Industry Enterprise in Bydgoszcz
3. Voivodship Meat Industry Enterprise in Elk
4. Regional Meat Industry Enterprise in Gdansk
5. Regional Meat Industry Enterprise in Katowice with an Office in Bytom
6. Regional Meat Industry Enterprise in Kielce
7. Regional Meat Industry Enterprise in Kolo
8. Regional Meat Industry Enterprise in Koszalin
9. Regional Meat Industry Enterprise in Krakow
10. Regional Meat Industry Enterprise in Lublin
11. Regional Meat Industry Enterprise in Lodz
12. Regional Meat Industry Enterprise in Lukow
13. Voivodship Meat Industry Enterprise in Olsztyn
14. Voivodship Meat Industry Enterprise in Opole
15. Regional Meat Industry Enterprise in Poznan
16. Regional Meat Industry Enterprise in Radom
17. Regional Meat Industry Enterprise in Rzeszow
18. Voivodship Meat Industry Enterprise in Szczecin
19. Voivodship Meat Industry Enterprise in Tarnow
20. Regional Meat Industry Enterprise in Warsaw
21. Regional Meat Industry Enterprise in Wroclaw
22. Regional Meat Industry Enterprise in Zielona Gora
23. Protein Casing Factory in Bialka near Makow Podhalanski
24. PZZ [State Grain Works] Regional Grain and Milling Enterprise in Bialystok
25. PZZ Regional Grain and Milling Enterprise in Boleslawiec
26. PZZ Voivodship Grain and Milling Enterprise in Bydgoszcz
27. PZZ Regional Grain and Milling Enterprise in Ciechanow
28. PZZ Voivodship Grain and Milling Enterprise in Elblag
29. PZZ Voivodship Grain and Milling Enterprise in Gdansk
30. PZZ Voivodship Grain and Milling Enterprise in Gorzow Wielkopolski
31. PZZ Regional Grain and Milling Enterprise in Jaroslaw
32. PZZ Voivodship Grain and Milling Enterprise in Kalisz
33. PZZ Voivodship Grain and Milling Enterprise in Kielce
34. PZZ Voivodship Grain and Milling Enterprise in Koszalin

35. PZZ Regional Grain and Milling Enterprise in Krakow
36. PZZ Voivodship Grain and Milling Enterprise in Leszno
37. PZZ Regional Grain and Milling Enterprise in Lublin
38. PZZ Regional Grain and Milling Enterprise in Lodz with an office in Pabianice
39. PZZ Regional Grain and Milling Enterprise in Lukow
40. PZZ Voivodship Grain and Milling Enterprise in Olsztyn
41. PZZ Voivodship Grain and Milling Enterprise in Opole with an office in Brzeg
42. PZZ Voivodship Grain and Milling Enterprise in Pile
43. PZZ Voivodship Grain and Milling Enterprise in Plock
44. PZZ Regional Grain and Milling Enterprise in Poznan
45. PZZ Regional Grain and Milling Enterprise in Rzeszow
46. PZZ Voivodship Grain and Milling Enterprise in Skierniewice with an Office in Szymanow
47. PZZ Voivodship Grain and Milling Enterprise in Slupsk
48. PZZ Voivodship Grain and Milling Enterprise in Szczecin
49. PZZ Voivodship Grain and Milling Enterprise in Torun
50. PZZ Voivodship Grain and Milling Enterprise in Walbrzych with an office in Dzierzoniow
51. PZZ Regional Grain and Milling Enterprise in Warsaw
52. PZZ Voivodship Grain and Milling Enterprise in Wloclawek
53. PZZ Voivodship Grain and Milling Enterprise in Wroclaw
54. PZZ Regional Grain and Milling Enterprise in Zabrze
55. PZZ Voivodship Grain and Milling Enterprise in Zielona Gora
56. Remodeling-Assembly Enterprise of the Grain and Milling Industry in Wroclaw
57. PZZ Enterprise for the Import and Export of Grain in Gdansk
58. Refrigeration Industry Enterprise in Bedzin
59. Refrigeration Industry Enterprise in Bialystok
60. IGLOOPOL Agricultural-Industrial Combine in Debica
61. Refrigeration Industry Enterprise in Gdansk
62. Refrigeration Industry Enterprise in Kielce
63. Refrigeration Industry Enterprise in Koszalin
64. Refrigeration Industry Enterprise in Lublin
65. Refrigeration Industry Enterprise in Lodz
66. Refrigeration Industry Enterprise in Olsztyn
67. Refrigeration Industry Enterprise in Opole
68. Refrigeration Industry Enterprise in Poznan
69. Refrigeration Industry Enterprise in Szczecin
70. Refrigeration Industry Enterprise in Torun
71. Refrigeration Industry Enterprise in Warsaw
72. Refrigeration Industry Enterprise in Wroclaw
73. Refrigeration Industry Enterprise in Zielona Gora
74. Refrigeration Industry Enterprise in Elk
75. POLMOS Spirits Industry Enterprise in Warsaw
76. OPAKOMET Canning Enterprise in Krakow
77. PARCZEW Agricultural Combine in Parczew
78. URSZULIN Agricultural Combine in Urszulin
79. NOGAT Agricultural Combine in Malbork
80. POWISLE Agricultural Combine in Czernin

81. ZULAWY Agricultural Combine in Nowy Dwor-Gdansk
82. DRUZNO Agricultural Combine in Elblag
83. KOCIEWIE Agricultural Combine in Starogard Gdansk
84. GORAJ Agricultural Combine in Przytoczna
85. Agricultural Combine in Lubniewice
86. LUBUSKI Agricultural Combine in Rzepin
87. Agricultural Combine in Mysliborz
88. STRZELECKI Agricultural Combine in Strzelce Drajski
89. REDLO Agricultural Combine in Redlo
90. LYNA Agricultural Combine in Nidzice
91. MAZURY Agricultural Combine in Szczytno
92. GLUBCZYCE Agricultural Combine in Glubczyce
93. KIETRZ Agricultural Combine in Kietrz
94. Gardening Combine in Opole
95. ROMINCKI Agricultural Combine in Goldap
96. STRZELINSKI Agricultural Combine in Strzelin
97. Gardening Combine in Wroclaw
98. Agricultural Combine in Swiebodzin

VIII. Trade, Commodities Exchange, and Material-Technical Supply Enterprises

1. KONSUMY Gastronomic-Trade Enterprise in Warsaw
2. PEWEX Domestic Export Enterprise
3. JUBILER Trade and Service Enterprise in Warsaw
4. Capital Domestic Trade Transport Enterprise in Warsaw
5. Domestic Trade Transport Enterprise in Bialystok
6. Domestic Trade Transport Enterprise in Bielsko-Biale
7. Domestic Trade Transport Enterprise in Bydgoszcz
8. Domestic Trade Transport Enterprise in Gdansk
9. Domestic Trade Transport Enterprise in Katowice
10. Domestic Trade Transport Enterprise in Kielce
11. Domestic Trade Transport Enterprise Krakow
12. Domestic Trade Transport Enterprise in Lublin
13. Domestic Trade Transport Enterprise in Lodz
14. Domestic Trade Transport Enterprise in Olsztyn
15. Domestic Trade Transport Enterprise in Piastow
16. Domestic Trade Transport Enterprise in Poznan
17. Domestic Trade Transport Enterprise in Rzeszow
18. Domestic Trade Transport Enterprise in Szczecin
19. Domestic Trade Transport Enterprise in Wroclaw
20. Domestic Trade Transport Enterprise in Zielona Gora
21. CENTRUM State Department Store in Warsaw
22. Mining Supply Enterprise in Katowice
23. Wholesale Food Enterprise in Warsaw
24. Coal Sales Headquarters in Katowice
25. Nonferrous Trade Headquarters in Katowice
26. CENTROSTAL Steel Sales Headquarters in Katowice
27. Metallurgy Supplies Headquarters in Katowice
28. CENTROKABEL Cable and Conduit Sales Office in Bytom
29. CENTRODLEW Casting Products Sales Office in Radom
30. AGROCHEM Mineral and Chemical Fertilizers Sales Enterprise in Krakow

31. WEGLOPOCHODNE Coal Derivative Products Sales Enterprise in Gliwice
32. CHEMIPLAST Plastics Trade Enterprise in Gliwice
33. STOMIL Rubber Industry Products Trade Enterprise in Lodz
34. CPN Oil Products Trade Headquarters in Warsaw
35. POLBUT Leather Industry Products Trade Enterprise in Lodz
36. EMA-ZBYT Electrical Machine and Apparatus Technical-Trade Headquarters in Warsaw
37. METALZBYT Metal Products Sales Headquarters in Bytom
38. Bonding Building Materials Sales Office in Sosnowiec
39. BESAR Building Materials Sales Office in Warsaw
40. Building Insulation Materials Sales Office in Katowice
41. Building Ceramics and Silicates Trade Services Office in Warsaw
42. Aggregates Industry Trade and Exports Office in Warsaw
43. Lumber Trade Headquarters in Warsaw
44. PLYTOZBYT Boards and Plywood Sales Office in Bydgoszcz
45. Tobacco Industry Supplies and Sales Headquarters in Radom
46. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Gdynia
47. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Bydgoszcz
48. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Gdynia
49. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Katowice
50. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Krakow
51. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Kielce
52. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Lublin
53. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Lodz
54. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Olsztyn
55. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Opole
56. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Poznan
57. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Rzeszow
58. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Szczecin
59. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Warsaw
60. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Wroclaw
61. Fire Extinguishing and Prevention Equipment Trade-Technical Enterprise in Zielona Gora
62. ELMET Technical Products Trade Enterprise in Bialystok
63. ELMET Technical Products Trade Enterprise in Bydgoszcz
64. ELMET Technical Products Trade Enterprise in Gdansk

65. ELMET Technical Products Trade Enterprise in Katowice
66. ELMET Technical Products Trade Enterprise in Kielce
67. ELMET Technical Products Trade Enterprise in Koszalin
68. ELMET Technical Products Trade Enterprise in Krakow
69. ELMET Technical Products Trade Enterprise in Lublin
70. ELMET Technical Products Trade Enterprise in Lodz
71. ELMET Technical Products Trade Enterprise in Olsztyn
72. ELMET Technical Products Trade Enterprise in Opole
73. ELMET Technical Products Trade Enterprise in Poznan
74. ELMET Technical Products Trade Enterprise in Radom
75. ELMET Technical Products Trade Enterprise in Rzeszow
76. ELMET Technical Products Trade Enterprise in Szczecin
77. ELMET Technical Products Trade Enterprise in Goleniow
78. ELMET Technical Products Trade Enterprise in Torun
79. ELMET Technical Products Trade Enterprise in Warsaw
80. ELMET Technical Products Trade Enterprise in Wroclaw
81. ELMET Technical Products Trade Enterprise in Sulechow

IX. Remaining Enterprises

1. Polish Ocean Lines in Gdynia
2. Polish Sea Navigation in Szczecin
3. Polish Baltic Navigation in Kolobrzeg
4. POLFRACHT Polish Freightier Enterprise in Gdynia
5. Gdansk Port Authority
6. Gdynia Port Authority
7. Szczecin-Swinoujscie Port Authority in Szczecin
8. Sea Agency in Gdynia
9. Sea Agency in Szczecin
10. Polish Ship Salvaging in Gdynia
11. Polish Ship Registry in Gdansk
12. DALMOR High Seas Fishery and Fishing Services Enterprise in Gdynia
13. GRYF High Seas Fishery and Fishing Services Enterprise in Szczecin
14. ODRA High Seas Fishery and Fishing Services Enterprise in Swinoujscie
15. TRANSOCEAN Sea Fishery Industrial-Services Enterprise in Szczecin
16. NAUTA Ship Repair Yard in Gdynia
17. Gdansk Ship Repair Yard
18. Ship Repair Yard in Szczecin
19. Sea Ship Repair Yard in Swinoujscie
20. WUKO Municipal Equipment Plant in Lodz
21. POWOGAZ Municipal Apparatus and Equipment Factory in Pniewy
22. PRESKO Municipal Equipment Plant in Wroclaw
23. PRESKO Municipal Equipment Plant in Brzeg
24. WUKO Municipal Equipment Plant in Staporkow
25. PRESKO Municipal Equipment Plant in Wschow
26. Municipal Equipment Production Enterprise in Poznan
27. Municipal Engineering Center in Warsaw
28. State Geodetic-Cartographic Enterprise in Warsaw
29. District Geodetic-Cartographic Enterprise in Bialystok
31. District Geodetic-Cartographic Enterprise in Wroclaw
32. District Geodetic-Cartographic Enterprise in Poznan

33. District Geodetic-Cartographic Enterprise in Rzeszow
34. District Geodetic-Catographic Enterprise in Krakow
35. State Catographic Publications Enterprise in Warsaw
36. POWOGAS Municipal Apparatus and Equipment Enterprise in Poznan
37. POWOGAS Municipal Apparatus and Equipment Factory in Pile
38. Completion of Deliveries Enterprise in Poznan
39. GEOKART Geodetic and Cartographic Export Enterprise in Warsaw
40. INTRACO Investment Exploitation and Realization Enterprise in Warsaw
41. AGPOL Advertising and Foreign Trade Publications Enterprise in Warsaw
42. Foreign Trade Computer Science Equipment Center in Warsaw
43. C. Hartwig International Forwarding Enterprise in Warsaw
44. C. Hartwig International Forwarding Enterprise in Katowice
45. C. Hartwig International Forwarding Enterprise in Gdynia
46. C. Hartwig International Forwarding Enterprise in Gdansk
47. C. Hartwig International Forwarding Enterprise in Szczecin
48. POLEXPO Exhibitions and International Fairs Enterprise in Warsaw
49. POLCARGO Control and Verification of Loads in Gdynia
50. State Medical Publications Business in Warsaw
51. Serums and Vaccines Factory in Warsaw
52. Serums and Vaccines Factory in Krakow
53. Serums and Vaccines Factory in Lublin
54. CEZAL Health Service Supplies Enterprise in Warsaw
55. CEZAL Health Service Supplies Enterprise in Bialystok
56. CEZAL Health Service Supplies Enterprise in Bydgoszcz
57. CEZAL Health Service Supplies Enterprise in Gdansk
58. CEZAL Health Service Supplies Enterprise in Katowice
59. CEZAL Health Service Supplies Enterprise in Krakow
60. CEZAL Health Service Supplies Enterprise in Lublin
61. CEZAL Health Service Supplies Enterprise in Radom
62. CEZAL Health Service Supplies Enterprise in Lodz
63. CEZAL Health Service Supplies Enterprise in Opole
64. CEZAL Health Service Supplies Enterprise in Olsztyn
65. CEZAL Health Service Supplies Enterprise in Slupsk
66. CEZAL Health Service Supplies Enterprise in Poznan
67. CEZAL Health Service Supplies Enterprise in Rzeszow
68. CEZAL Health Service Supplies Enterprise in Szczecin
69. CEZAL Health Service Supplies Enterprise in Wroclaw
70. CEZAL Health Service Supplies Enterprise in Zielona Gora
71. CEZAL Health Service Supplies Central Depot in Warsaw
72. CEFARM Pharmaceutical Supplies Enterprise in Zielon
73. CEFARM Pharmaceutical Supplies Enterprise in Gdansk
74. CEFARM Pharmaceutical Supplies Enterprise in Katowice
75. CEFARM Pharmaceutical Supplies Enterprise in Bydgoszcz
76. CEFARM Pharmaceutical Supplies Enterprise in Kielce
77. CEFARM Pharmaceutical Supplies Enterprise in Krakow
78. CEFARM Pharmaceutical Supplies Enterprise in Lublin
79. CEFARM Pharmaceutical Supplies Enterprise in Lodz
80. CEFARM Pharmaceutical Supplies Enterprise in Olsztyn
81. CEFARM Pharmaceutical Supplies Enterprise in Poznan
82. CEFARM Pharmaceutical Supplies Enterprise in Opole
83. CEFARM Pharmaceutical Supplies Enterprise in Rzeszow

84. CEFARM Pharmaceutical Supplies Enterprise in Szczecin
85. CEFARM Pharmaceutical Supplies Enterprise in Warsaw
86. CEFARM Pharmaceutical Supplies Enterprise in Wroclaw
87. CEFARM Pharmaceutical Supplies Enterprise in Zielona Gora
88. CEFARM Central Pharmaceutical Depot in Warsaw
89. Orthopedic Equipment Works in Warsaw
90. Orthopedic Equipment Works in Poznan
91. Orthopedic Equipment Works in Krakow
92. Orthopedic Equipment Works in Katowice
93. Orthopedic Footwear Works in Szczercow
94. State Scientific Publishers [PWN] in Warsaw
95. OSSOLINEUM Publishing House in Wroclaw
96. Center for Dissemination of Scientific Publications in Warsaw
97. Scientific Printers in Warsaw
98. S. KULCZYNSKI Scientific Printers in Wroclaw
99. UNIPAN Scientific Apparatus Works in Warsaw
100. RADIOPAN Experimental-Production Enterprise in Poznan
101. SONOPAN Experimental-Production Enterprise in Bialystok
102. WILMER Microwave Apparatus Works in Warsaw
103. ELPAN Electronic Apparatus Works in Lubawa
104. ZPAN Technical Service Works in Warsaw
105. PAN Experimental Works in Baranow
106. PAN Experimental Works in Golysz
107. PAN Experimental Works in Jabloona
108. PAN Experimental Works in Jastrzebiec
109. PAN Experimental Works in Kornik
110. PAN Experimental Works in Popielno
111. Geological Enterprise in Katowice
112. Geological Enterprise in Krakow
113. Geological Enterprise in Warsaw
114. Geological Enterprise in Kielce
115. Geological Enterprise in Wroclaw
116. Geophysical Studies Enterprise in Warsaw
117. Drilling and Mining Operations Enterprise in Warsaw
118. Geological Machines and Equipment Plant--under construction--in Ciechanow
119. PORON United Nuclear Equipment Works in Warsaw
120. State Mint in Warsaw
121. State Negotiable Paper Printing Works in Warsaw
122. RZECZPOSPOLIT' State Publishing Enterprise in Warsaw
123. NASZA KSIEGARNIA Publishing Institute in Warsaw
124. School and Pedagogical Publishers in Warsaw
125. Graphic Works in Bialystok
126. Publishing Printers in Cieszyn
127. National Publishers in Krakow
128. REWOLUCJA PAZDIERNIKOWA Printers in Warsaw
129. Publishing Printers in Krakow
130. PKWN Graphic Works in Lublin
131. Opush Printers in Lodz
132. Graphic Works in Lodz
133. S. PIENIEZNY Graphic Works in Olsztyn

134. J. LANGOWSKI Graphic Works in Opole
135. M. KASPRZAK Graphic Works in Poznan
136. Graphic Works in Rzeszow
137. Graphic Works in Szczecin
138. Graphic Works in Wroclaw
139. DOM SLOWA POLSKIEGO Graphic Works in Warsaw
140. Graphic Works in Gdansk
141. Graphic Works in Katowice
142. TAMKA Graphic Works in Warsaw
143. Graphic Works in Torun
144. State Publishing Institute in Warsaw
145. State Economic Publishers in Warsaw
146. Literary Publishers in Krakow
147. WIEDZA POWSZECHNA State Popular Scientific Publishers in Warsaw
148. ISKRY State Publishers in Warsaw
149. State Agricultural and Forestry Publishers in Warsaw
150. Artistic and Film Publishers in Warsaw
151. PRACOWNIE KONSERWACJI ZABYTEKOW State Enterprise in Warsaw
152. Documentary Film Studio in Warsaw
153. Educational Film Studio in Lodz
154. ZESPOLY FILMOWE Film Production Enterprise in Warsaw
155. PAGART Polish Artistic Agency in Warsaw
156. Jobbing Printing Publishers in Warsaw

12270

CSO: 2600/625

TECHNOLOGY SEEN IMPORTANT IN INCREASING LABOR PRODUCTIVITY

Bucharest ERA SOCIALISTA in Romanian No 5, 10 Mar 83 pp 6-9

[Article by Dr Iosif Dumitru Bati]

[Text] The development of science and technology, the increase in quality and efficiency are definitive elements in the decade. At the same time, they represent basic conditions for the good flow of activity in all areas of social-economic life as well as for fulfilling the goals of Romania's multilateral development.

All these definitive elements of the current stage held a leading spot in the attention of the national party conference of December 1982. Of special importance are the theses on the need for consolidating the historic achievements gained by our economy in the recent decades, on the assurance of a new balance and harmonious development of all sectors of activity to eliminate certain contradictions and irregularities and for continuation of the rise of the Romanian economy. Fulfillment of these goals is conceived of under conditions of providing a new quality of work and life during this five-year plan and in the future and a more powerful development of our own base of energy and raw materials and the intensive progress of the economy, firm promotion of the most advanced achievements of modern science and technology, growth in labor productivity, management of all material resources with high sense of responsibility--in other words, under conditions of obtaining maximum efficiency in any area of activity.

The rich experience gained by Romania in recent decades, the material-technical base created in this period, the numerical development of the working class and the formation of cadres in the most varied professions, with high training, are all important conditions for continuing to provide a high efficiency of social labor. "It is necessary that we understand," as Comrade Nicolae Ceausescu emphasized, "that we cannot speak of creating the multilaterally developed socialist society, of heading for communism and of continually raising the people's standard of living without achieving high labor productivity. We must make our socialist economy achieve superior productivity, becoming competitive with any developed economy from this viewpoint, too."

In the last three decades, labor productivity in industry rose 9.2 times, achieving an average annual growth rate of 7.7 percent; in the current five-year plan

the increase forecast is 40.4 percent at an average annual rate of 7 percent. Although, as we see, the rate forecast is somewhat low, still the effort needed to fulfill this qualitative task is considerably higher than in the preceding five-year plans. So, while just 55 percent of the rise in industrial production in the 1971-1975 five-year plan was obtained from increasing labor productivity, in the last five-year plan it was around three-fourths and in this five-year plan it is forecast that this contribution should reach more than 80 percent. As far as 1983 is concerned, the single national plan establishes a 9.1-percent increase in labor productivity in industry, with around 85 percent of the increase in industrial production to be obtained due to this factor.

A fact with special significance refers to agriculture. In this five-year plan the entire increase in production is to be obtained in agriculture from increasing labor productivity, since the rise in agricultural production is to be obtained through measures that reduce the number of people working in this branch.

The national income, the most general indicator of the efforts made by Romania's working people, will rise, according to forecasts, in this five-year plan with four-fifths due to the growth in social labor productivity. In this way, the emphatic growth in labor productivity continues to be the decisive factor in increasing material production and the national income, having considerable effects on the move to a new quality for all social-economic activity. One should remember that a percentage point of additional growth in labor productivity in industry in 1985 would provide a 14.7 billion lei-increase in production compared with just 9.3 billion in 1980. Also, a percentage point of increase in average annual growth rate in national income would result in 6.9 billion lei in the current five-year plan compared with 3.04 billion in the 1966-1980 period and just .74 billion in the first years of socialist construction.

As a result of obtaining a rate which is 2-5 times higher for the growth in labor productivity compared with that obtained by the economically developed countries, Romania in a short historical period has succeeded in reducing a portion of the large economic differences existing at the start of the process of socialist construction. Whereas in 1950 the per capita national income in Romania was 15-20 times smaller than the economically developed countries, in 1980 it was just around 4-5 times smaller. According to preliminary data for 1980 by the World Bank,* the gross national product per capita (calculated in US dollars at market prices) was 5 times greater in France, 4.9 times greater in the United States, 3.4 times greater in the United Kingdom, 3.1 times greater in the GDR, 2.8 times greater in Italy, 2.5 times in Czechoslovakia compared with the level of \$2,340 obtained in Romania.

Clearly, the differences have been reduced considerably. Despite this, we still need big efforts, sustained efforts to eliminate the differences which remain and which, in certain cases, even are continuing to increase. That is why Comrade Nicolae Ceausescu dwelled at the national conference "that we give special attention to increasing social labor productivity. On the basis of good organization

* "World Bank Atlas 1981," published by the International Bank for Reconstruction and Development.

of production and labor, of mechanization and automation, of the use of modern methods in all sectors of activity, we should obtain a substantial growth in labor productivity, proposing that by the end of this five-year plan we should catch up to several of the developed countries." Providing such a strategic goal means adopting the most appropriate measures with a view to the appropriate emphasis on the average annual growth rates of social labor productivity. Of course, in working out these measures we must take into account the circumstances specific to the current world economic crisis, which are being seen in many developed countries by economic growth close to zero or even absolute reduction of the gross national product per capita in the last 2-3 years.

In this situation many hypotheses may be taken into consideration. In Italy's case, for example, the hypothesis of maintaining the average annual growth rates achieved in the 1970-1979 period, Romania would need a period of 15 years to eliminate the gap existing in 1980. In case Italy would maintain zero growth in the future and the rates achieved in Romania would continue to be insured in the 1970-1979 period, elimination of the gap with this country would be produced in 11 years. However, with the hypothesis in which an average annual growth rate of a minimum of 1 percent would be taken into consideration for the future and a rate of around double that achieved here in the 1970-1979 period, then elimination of the gap would be produced in just 5 years, that is, by 1985.

The growth in labor productivity in the Romanian economy as is also encountered in many other countries is taking place in the current stage under conditions in which we are seeing the most vigorous revolution in all areas of science and technology at the world level. Romania has understood in time that the fastest possible assimilation and full assimilation of the achievements of science and technology is the decisive and basic factor in increasing labor productivity, in eliminating the differences separating us from the economically developed countries and, in the end, in fulfilling the goals established to improve the standard of living and quality of life.

Undoubtedly, remarkable successes have been obtained in the area of increasing labor productivity but, at the same time, difficulties and shortcomings, sometimes rather serious ones, have been demonstrated, particularly a certain lack of agreement between the efforts made to supply the economy with modern technology on one hand and, on the other, the results, the efficiency obtained. So sustained efforts have been made throughout the five-year plans to develop the material-technical base of the national economy, particularly industry. If we relate the figures to 1950, one can see that the volume of investments for industry as a whole rose 39 times compared with the increase in industrial production, which was just 33 times. A similar situation also exists in the machine building industry taken separately. In this branch which carries technical progress for the entire economy, investments rose 161 times, while the increase in production was only 111 times greater.

The machine building industry in 1980 represented around 35.2 percent of total industrial production. The substantial rise in the percentage of this branch in total industrial production was achieved at the same time as a broad process of modernization of the structure of its subbranches, particularly those which represent top technology. On this basis, the machine building industry currently is providing approximately 80 percent of the need for machinery, installations

and equipment for our economy; it also has produced increases in exports of machinery, equipment and installations which in 1980 represented more than 26 percent. As stressed at the national party conference, the problem being posed now is to fully utilize the technical supply which this branch has available, to satisfy the needs of the national economy and to participate more actively in production of exports. The requirement is equally or almost equally valid for all socialist industry.

The gap between growth in labor productivity and rise in volume of fixed assets--a gap present in a number of branches, subbranches and economic units--in general lines reflects a minimum utilization of the reserves for increasing labor productivity. At the source of this phenomenon is the delay in certain production operation projects, the use of certain production capabilities below the level of the parameters forecast, the inappropriate quality of certain investment projects, making certain production capabilities too big compared with the actual opportunities for full use, incomplete use of certain technical equipment due to failure to provide the necessary labor force and the unsatisfactory qualification of worker personnel, organizational defects in having timely assimilation of products and manufacturing techniques, the unsatisfactory quality of labor standards, the incomplete use of working times, defects in the specialization and cooperation in production and in standardization of production and so forth.

Eliminating these difficulties and shortcomings and intensifying the growth in labor productivity entails decisive, joint actions in many main directions, as powerfully emphasized in our party documents. Among these are a) continuous promoting of technical progress; mechanization of difficult jobs and with a high volume of labor; broad extension of automation and cybernetization of production, by giving priority attention to the introduction of industrial robots to the extent that they give flexibility in the use and adaptation of automation under conditions of frequent changes which occur in the structure of production; b) deepening specialization and cooperation among the industrial enterprises for full use of the production capabilities of the existing enterprises; avoiding any unsubstantiated supplemental investments, including the supplying of new equipment in the case in which the existing ones are being used incompletely; c) improving the organization of production and work in all regards, improving and continually adapting the labor standards to the requirements of the material-technical base, which is continually being renewed, as well as broad application of incentive types of payment for work, particularly work by the piece; raising the level of the workers' vocational and technical training; d) continuing to improve the economic-financial mechanism and correct application of its principles in all units of the economy, just as was emphasized with particular clarity at the national party conference.

Without a doubt the first of these actions is promotion of technical progress. Under conditions of profound revolution which science and technology are seeing today, the growth in labor productivity cannot be conceived of without incorporating the most advanced achievements in this area both in the technical base of production as well as in the organization of production and labor. This requirement results not just from the need to have superior utilization of the technical potential as well as the material and human resources we have available but rather from the objective need of coping with the demands of competitiveness on the domestic market as well as, in particular, the foreign market. Taking

into consideration the importance being given to these problems, the single national plan for social-economic development for the 1981-1985 period includes a basic chapter on the activity of scientific research, technological development and on promoting technical progress, as worked out on the basis of the provisions of the program directive adopted by the 12th party congress. This chapter lists more than 3,000 important projects, of which more than four-fifths are to be finalized and applied by the end of this five-year plan. Of the total of these projects, more than 25 percent refer to obtaining new technologies, 20 percent--to the creation of machinery, equipment, apparatuses and installations, more than 13 percent--to new materials and nearly 3 percent refer to mechanization and automation.

The research projects provided in the single national plan have been detailed in special programs for the purpose of being correlated with other programs of the national economy, of increasing the degree to which the domestic need for new products is covered, of promoting new technologies as well as new and modernized products in the value of production-good, of achieving the indicators forecast for economic efficiency and, in the end, for the purpose of creating maximum currency contribution and, gradually, on this base a positive balance of foreign payments.

Of course, the forecast growth for labor productivity is to a great extent conditional on fulfilling the goals established for research, on shortening to the minimum the timetables for assimilating new products and technologies and introducing them into manufacture. As Comrade Nicolae Ceausescu pointed out at the national party conference, "Fulfilling the tasks of great responsibility in the coming years and the country's social-economic development requires sustained activity in scientific research and education, a more powerful concentration of the forces in the research institutes with a view to solving the technical and technological problems posed for the enterprises and the national economy, for improving technologies, for reducing consumption and for raising the technical and quality level of the products."

Special attention in the special programs worked out is being given to building industrial robots during this five-year plan period and introducing them into production, with priority in the warm sectors, sectors with hard work, in the foundries and forges. According to the forecasts, controls and robots for general use, specialized controls and robots as well as computer programs for the design and management of the robots will be built this five-year plan. The introduction of industrial robots will have a special effect on the growth of labor productivity and on the diversification and reliability of the products. Some calculations show that labor productivity in the design of parts and mechanical parts can increase at least 30 times by use of industrial robots and in the case of assembly operations--at least 20 times compared with manual assembly.

We think in this regard the experience of Japanese industry is instructive. The broad use of industrial robots in some Japanese automobile plants insures a level of labor productivity of 65 cars per year and job, compared with just 10 or 11 which the American or European car builders reach, that is, 6-6.5 times more, as well as an average of around 20-percent lower production costs. At the same time, the introduction of industrial robots positively affects the reduction in

material and energy consumption, the rise in labor protection and safety, and it frees the person from tiring physical and mental work and contributes to a powerful change in the structure of the working labor force, with regard to increasing the workers employed with jobs of coordination and design.

The introduction of industrial robots into production in greater and greater proportions represents a new phase in the process of development of human society and a revolutionary phase in the area of technology, with deep implications for the growth of labor productivity and competitiveness of the products. It is taking place under conditions of the bitter struggle of competition currently occurring on the world market. For that reason the move to the generalized use of industrial robots represents an objective need everywhere, independent of the level of industrialization of a country. Especially in Romania, which is in the full effort to eliminate the gaps which separate us from the economically developed countries and to reach a high level of labor, productivity based on wider and rapid use of robotics represents a vital requirement for demonstrating the superiority of socialism in the peaceful competition with capitalism.

However, the use of industrial robots raises many complex problems. A thorough study of them under the specific conditions of Romania would be easier if the robots which would be put into operation in this five-year plan were concentrated into a restricted number, but representative of the standard units, capable of bringing out the diverse aspects of their use. A special problem, even now, is shaping up in connection with the production of computer programs and with providing the necessary specialized cadres. Our experience in this area for the time being is in an incipient phase, not yet having standards or methods for evaluating the effort to carry out programs in robot operation. If account is taken of the design effort which was needed to build one of the first industrial robots in Romania, estimated approximately to equal the work of 30-40 specialists for 2 years, one can create a certain picture of the giant volume of human intelligence which must be invested in such an action.

Clearly, broadening of the system of programs to instruct and manage the robot's movement depending upon extension of its flexibility according to degree of flexibility inevitably increases the volume of programming work. The experience of the economically developed countries, in which expanded use of industrial robots has been very powerful in the last decade, shows that for each programmed function a large number of specialists must be provided, capable of working out instructions and programs, and capable of applying the systems designed. The need for such specialists is and will continue growing, taking into account the practically unlimited opportunities for utilizing the industrial robots in all areas of activity. At the same time, experience shows that the number of new jobs created in the area of programming industrial robots--the exclusive prerogative of the human mind--and in the extremely broad area of services is much greater than the number of jobs abolished in industry, against the background of a particularly rapid rise in labor productivity.

Taking into account the aspects pointed out and the prospects for developing the robot system in Romania, as well as the experience being accumulated at the world level, even now it would be timely to work out a special program on the

need for specialized cadres for the future in this area, on the formation they receive, and on the restructuring of certain existing cadres. At the same time, this means better, faster organization of scientific-technical documents, broad dissemination and efficient adaptation of innovations and technical inventions achieved in the world, the exchange of experience and specialization of cadres on mutually advantageous bases with institutes and enterprises with a reputation both at home and abroad.

Technical progress directly influences the growth in labor productivity not only by supplying the units in the economy with a technology at a higher and higher level, but also by the way in which the structure of our national economy's development is conceived. The current five-year plan seeks the priority development of the branches bearing technical progress, which implicitly leads to superior utilization of the material and human resources that we have available, as well as to a growth in social labor productivity. So, whereas the volume of industrial production as a whole in this five-year plan is to rise, according to forecasts, by 47-54 percent, the machine building industry is to develop 66-74 percent, while the chemical industry and crude oil processing industry is to rise 54-59.6 percent. It is forecast that, within these industrial branches, the subbranches powerfully linked with technical progress and with superior utilization of the resources should develop much faster. So the increases in the same period will be 130-140 percent in the electrotechnical industry, 170-200 percent in the precision mechanics industry, 100-120 percent in the production of cutting machine tools, more than 100 percent for mining and oil equipment and so forth. In the chemical industry, rates above the average are forecast for the production of dyes and coloring agents, where the increase will be 60-80 percent, 80-100 percent for detergents, 100-120 percent for drugs for humans and 140-160 percent for cosmetics and perfumes.

The priority development of these subbranches of industry, as well as the use of corresponding advanced technologies are directly reflected in the superior utilization of raw materials and materials, of Romanian intelligence and, in the end, in the growth in social labor productivity. Our industry's experience shows that the processing and incorporation of one ton of metal for tractor production provides a value greater than 2.3 times compared with the use of the same quantity of metal to manufacture train cars. In the case of automobile production, the value increases 5.8 times, the production of machine tools with numerical programmed command--10 times, and electronic computer production--233 times.

Clearly, the orientation adopted in this five-year plan to limit certain energy-intensive branches of production and for the priority development of branches bringing technical progress and those which utilize our material and human resources to the maximum contributes to the growth in social labor productivity. At the same time, the continued deepening of the specialization of industrial production, the building of products of high technical level and superior quality which are competitive on the international market and, on this basis, that promote expansion of the domestic market and especially the foreign market increase sales and production; these can be important factors in the growth of labor productivity and profitability. Sensible selection of the list of specialized products and giving them a rational size, for this purpose

using prognoses on the possibilities for selling the products on the domestic and foreign markets, providing relations of industrial cooperation and sale of the products on foreign markets under mutually advantageous conditions, allocation of greater capital for scientific and technological research and their utilization with greater efficiency are important conditions to stimulate technical progress and to increase labor productivity.

A basic condition for using the advantages offered by technical progress with a view to better utilization of fixed assets and of production capabilities in general consists of providing for contracting of the production intended for the domestic market and for export on time and, on this basis, working out the production plans of the socialist units. Our economic legislation clearly provides for the duty of the ministries, other central and local organs, centrals and enterprises to take the necessary measures with a view to finalizing the contracts and providing all conditions for fulfilling the plan tasks established from the third quarter of each year for the following plan year. Despite this, practice has shown that at the end of the year and beginning of the new plan year many enterprises have not contracted the entire production planned. Strict respect for the law's provisions by all the units in the economy would create favorable conditions for insuring the preparation of manufacture under proper conditions, both by putting into specific form the volume and structure of production as well as by insuring an absolutely necessary period for working out and applying measures for the technical, technological, organizational and material preparation of manufacturing. It is understood that the appropriate preparation of manufacturing creates the conditions for rational use of the production capability and for high labor productivity by introducing what is new into manufacture, insuring high quality of the products manufactured, efficiently using material and human resources, reducing costs in general and the material costs in particular, increasing the competitiveness of production and efficiently adapting it to the developing requirements of society and of the international market.

The truth is that in many places there is not enough concern with the modernization and redesign of products, too slow an assimilation of new products takes place in manufacturing, the weight of certain products, the consumption of metal, of other raw materials, materials or energy per unit of product are too big, while the proportion of waste and scraps is exaggerated. So there is a vast field of activity for improving the preparation and flow of manufacturing in all production units and, on this basis, for increasing labor productivity. A good activity in each enterprise means working out and implementing a sensible program for the periodic and systematic review of technologies, that is, all the technical-economic documents which lie at the basis of the manufacturing of products, the introduction of necessary changes on technical, scientific and economic criteria with a view to the maximum increase in economic efficiency, the correlation of these changes with the tasks provided in the plan for increasing labor productivity and reducing production costs.

Clearly, the redesign of technologies, the continual improvement of technical-economic documents at the basis of the manufacturing of products and bringing them up to date require a giant volume of design work, harmonious cooperation from complex teams of specialists from various departments of the enterprise: research, building, technology, planning, programming, following up on

production, costs and so forth. At the same time, this requires competence, perseverance and an innovative spirit in order to conquer human inertia toward change and to convince and teach rejection of outdated traditional procedures. The solution to this problem to a great extent is linked with a realistic determination of the volume of design work needed, with providing the appropriate specialized cadres in the design sectors, with rational utilization of worker personnel in each enterprise and with reducing the nonproduction personnel. Particularly important in this regard is the explanation made by Comrade Nicolae Ceausescu about the fact that we have too many engineers sitting in their offices. They have to move to design, to solve the technological problems, to create the machinery we need, together with the highly-qualified workers.

Under conditions of modern, highly efficient production and competitiveness, a special role in increasing labor productivity belongs to stimulating the workers' creative capabilities, utilizing them on a high level. Despite the good results obtained, there still are broad opportunities for utilizing the creativity of the collectives in the enterprises. Analyses made bring out the fact that there are more than a few cases where we feel the lack of guidance and encouragement, the lack of material incentives for worker personnel in order to be attracted more to the activity of technical creation and scientific research, technological development and promotion of technical progress. In this regard it seems timely to analyze the possibility of improving the mechanism for the planning of research, for broader utilization of economic levers so as to speed finalization of the research products. Also it would be necessary to place greater emphasis on stimulating all acts of technical creation both moral and material, seeking to change them into a broad mass movement. The measures decided on by the national party conference on improving the system of giving prizes both by increasing their share in total incomes as well as by differentiated awarding of them in proportion to each person's work undoubtedly will contribute to an increase in stimulation of technical and scientific creativity in all areas of activity. Also deserving attention would be a reexamination--as other specialists have requested--of the current legislative framework for the rewards given [word missing] generally limited to three salaries, spread out depending on achievement of the technical-economic parameters forecast, with regard to broadening this framework depending on the importance of the project created and by applying a flexible scale, in the form of a percentage, for awards, calculated beforehand, without a ceiling.

The promoting of technical progress and, on this basis, the increase in labor productivity take on new values with the recently adopted measures on continuing to improve the economic-financial mechanism and worker self-leadership. The Law on Worker Participation in Establishing the Fund for the Enterprises' Economic Development establishes that these funds will be used, with approval of the general meetings and under legal conditions, for production investments with immediate effects on production and increasing incomes and the units' profits. Obtaining these results is most closely linked with increasing labor productivity. The sensible management of these funds, the broad promoting of technical progress, the scientific organization of production and work as well as achievement of the highest possible economic efficiency and appropriate

material incentives for the owners of social portions through supplemental annual incomes will contribute so that they "understand the fact," as emphasized by Comrade Nicolae Ceausescu, "that they are the owners of that enterprise, that they directly bear responsibility for preserving and defending the ownership and for developing it, that their duty is to obtain a continual increase in economic efficiency with the resources they have available, in this way providing the necessary means for their salaries and participation in profits and the means needed to accumulate and develop the production forces and as well as for satisfying certain general needs of the state and defense of the country."

8071

CSO: 2700/171

OIL REFINERY PRODUCTION IN FIRST QUARTER OF 1983

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 11 Apr 83 p 26

[Excerpt] In the first quarter of this year 3,526,000 tons of crude oil were processed, or 8 percent less than planned (11 million tons), but this is certainly more than expected considering the long uncertainty over how much oil would be approved for import and the still-unresolved question of providing foreign exchange for imports. Also, compared to the first quarter of 1982 about 350,000 tons (or 10 percent) more oil was processed.

The situation was in fact "saved" by increased imports of oil from the clearing-account area. Namely, 1.6 million tons (or about 400,000 tons more than anticipated in the 3-month period) was imported from the USSR. But imports from the convertible-currency area were considerably less than planned. Namely, approval was given to import 1.6 million tons of oil, but only about 900,000 tons were imported. It should be said in this regard that 285,000 tons were imported on the basis of last year's guarantees by the National Bank, so that, if this is deducted, only 37 percent of the planned imports were realized in the first quarter of this year. Thus, a total of 2,484,000 tons of crude oil were imported in the first quarter of 1983, or about 10 percent less than the energy balance sheet called for.

During the first quarter domestic oilfields produced 1,043,000 tons of oil, or 22,000 tons less than planned and nearly 30,000 tons less than produced in the same period last year.

The Skopje and Bosanski Brod refineries were best supplied with [crude] oil and processed 7 percent and 9 percent more oil, respectively, than was planned. The "Naftagas" refinery, however, processed 4 percent less, and INA, the worst supplied, processed 16 percent less than planned, largely because of the lack of foreign exchange to import from the convertible-currency area.

CSO: 2800/289

DATA ON AGRICULTURAL EQUIPMENT, STRUCTURE, INVESTMENTS

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 21 Mar 83 p 21

[Text] Major Agricultural Machines and Consumption of Manufactured Fertilizers in Yugoslavia

<u>Indicator</u>	<u>1959</u>	<u>1969</u>	<u>1979</u>	<u>1982</u>
Tractors:				
Public	5,326	31,642	25,972	26,551
Private	1,901	30,090	316,000	432,000
Combines	1,334	11,078	10,741	9,167
Trucks	1,636	3,559	3,596	3,522
Fertilizer consumption:				
Total, thousands of tons	1,147	1,822	2,203	2,385
Per hectare, kg	112.5	179.2	222.1	240.0

Structure of Yugoslav Agriculture

<u>Indicator</u>	<u>Agricultural Organizations</u>		<u>Private Farms</u>	
	<u>1957</u>	<u>1979</u>	<u>1957</u>	<u>1979</u>
Index of the volume of production (1955 = 100)	145	937	119	152
Arable area, thousands of hectares	828	1,593	9,380	8,324
Size of average holding, hectares	415	885	4.69	3.9
Share in total agriculture--percentage:				
In arable area	8	16	92	84
In livestock population (conventional head of livestock)	5	12	95	88
In mechanical tractive power	88	20	12	80
In fertilizer consumption	56	36	44	64
In social product	9	27	91	73
In production for the market	24	46	76	54

Investments in Agriculture--Annual Average

<u>Indicator</u>	<u>1957- 1961</u>	<u>1967- 1971</u>	<u>1972- 1976</u>	<u>1977- 1979</u>
Percent of total investments	14.9	6.2	6.4	5.8
Public	10.5	4.4	3.3	2.8
Private	4.4	2.5	3.1	3.0
Percent of social product of agriculture	19.1	11.1	12.3	17.6
Public	129.0	33.1	25.9	33.5
Private	4.4	2.5	3.1	3.0
Investment structure (total = 100):				
Public	70	66	52	48
Private	30	34	48	52

Agriculture's Terms of Trade With the Equipment, Fertilizer and Animal Feed Industries

<u>Indicator</u>	<u>1975</u>	<u>1978</u>	<u>1980</u>	<u>1981</u>
Per 100 kg of KAN fertilizer:				
Kg of wheat	66.1	62.8	50.7	52.9
Kg of corn	62.3	58.2	59.3	57.4
Kg of sugar beets	288.0	274.2	314.4	257.3
Kg of sunflower seed	26.9	30.9	31.1	27.5
Per 55-hp tractor:				
Tons of wheat	41.8	40.0	23.0	25.4
Tons of corn	39.5	37.0	26.9	27.6
Tons of sugar beets	182.3	174.6	142.5	123.7
Tons of sunflower seed	17.1	19.7	14.1	13.3
Per combine:				
Tons of wheat	142.0	163.4	92.9	94.9
Tons of corn	134.0	151.3	108.8	102.6
Per 100 kg of feed concentrate:				
Kg of weight gain of young beef		12.6	13.2	14.8
Kg of weight gain of swine	21.1	18.9	17.5	17.4
Kg of weight gain of poultry	21.1	23.4	23.3	27.9

7045

CSO: 2800/250

JAT FINANCIAL STATUS, PROBLEMS

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 21 Mar 83 pp 13-14

[Text] Last year's loss by JAT [Yugoslav Airline] amounted to 600 million dinars, but thanks to reorganization and the pooling of assets, this amount was reduced in that JAT itself saved 200 million, exemptions from contributions amounted to 160 million, and 240 million were taken from depreciation. This is a situation, it was said in a press conference, with respect to dinar assets. The foreign exchange situation is less favorable and has a significant influence on the conduct of business. That is, JAT owes fuel suppliers \$8 million, \$7 million for spare parts, \$4 million in overflight fees, and \$3 million as its share of insurance, which makes a total of \$22 million. For every ton of imported kerosene 17 percent is paid in customs duties, and since payment is in dollars, imported kerosene will this year be 65 percent more expensive than the domestic product. Solutions are being sought, and recently the problems of air carriers were taken up even by the SFRY Assembly. JAT's inflow of foreign exchange is not small, but in the last 3 months of last year, for example, almost nothing remained at its disposition of the \$37 million it took in. Every year JAT has sales amounting to over \$200 million in foreign exchange proceeds, but in the last 3 years it has received a loan of \$35 million from the National Bank of Yugoslavia and \$11 million from Investbanka, and that only when the foreign creditors threatened to seize airplanes because of unpaid bills. Should this kind of situation continue, JAT is unable to resolve the situation itself (solutions have to be sought in the structure of the system). The question is accordingly raised of reorganization which, given the present organization, is cumbersome and complicated (14 organizations of associated labor and 4 work communities). As a consequence there is technical fragmentation and a failure to adapt to passengers. There is a proposal for a macro-organization of JAT with three organizations of associated labor, in which equipment would be one component, flight and schools a second, and the third would be the commercial department and ground crews. As planned, this would begin to function in June, and the microreorganization would occur in October.

As of 1 May JAT will be able to introduce a business class of travel, which will most probably be done with B-727's. This ought to include special counters for this type of passenger, and there will be a revision of meals on all lines in JAT planes.

There was also mention at the press conference of the dispute with the Dubrovnik Airport. It was said that the quarrel occurred back a year ago and it has to do with this airport collecting charges for airport services in dollars, and the billing is dated as of the day when the service was rendered. This also applies to the airport tax. Because a solution could not be found, JAT decided to shift some of its traffic (about 15 percent) to the Tivat Airport. These are the flights from Rome and Athens. The price difference between Tivat and Dubrovnik for the three flights that have been shifted is 7.5 million dinars a year. The tax on foreign passengers at the Dubrovnik Airport is 370 dinars, and collection is made at the daily rate of exchange, while at all other airports it is 150 dinars. JAT at the moment has a suit in court against the Dubrovnik Airport, but in the meantime a meeting was proposed on 31 March with all the directors of airports in order to attempt to find a solution. Adria Aviopromet of INEX agrees with JAT; that is, it intended to switch all its flights to the Tivat Airfield; however, at the request of foreign tour operators (Neckermann), that could not be done. On 27 March, when the summer flight schedules take effect, this transfer to the Tivat Airport will remain in effect.

7045

CSO: 2800/250

SMALL BUSINESS SECTOR'S DIFFICULT PROGRESS

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 28 Mar 83 pp 18-20

[Text] In the past 10 days or so two forums in Belgrade have discussed development of the small business sector. The working version of the Program of Actions by the Socialist Alliance To Resolve Urgent Socioeconomic Issues in Development of the Small Business Sector was taken up in a meeting of the Presidium of the Federal Conference of the SAWPY, while in the Council of the Federation of Serbian Trade Unions the proposed version of a social compact on policy governing development of the small business sector was examined. It is very likely that in that time development of the small business sector was also discussed in some meeting not mentioned, since in recent years this has been an almost perpetual topic of the agencies and staff services of sociopolitical communities and organizations, economic chambers, self-managing communities of interest, banking organizations and associations, specialized associations and federations, and many other organizations.

Thus a political drive has taken on tremendous space in the volumes of various detailed studies and papers, as well as the programs of certain local projects.

The idea of the need to develop small business and the benefit it would bring was conceived some 7 or 8 years ago, and yet until a year ago we did not have any definition of the small business sector whatsoever. As a matter of fact, we do not have one even today, but in the proposed version of the social compact, say, the second chapter has been devoted to the "concept and inclusiveness of small business." The essential point is that the small business sector includes work organizations up to 200 employees which do custom work or have small production runs and also organizations in the service class and trades. It also includes all contract work organizations, private craftsmen and tradesmen, hostellers and common carriers: that is, that part of our private sector outside farming.

The excessively broad descriptive definition of small business certainly leaves quite a bit of room for arbitrariness in ascertaining and monitoring its dimensions and its proportion in the total economy. The list of organizations of associated labor in our country's small business sector has been set down by the Federal Bureau of Statistics, and that on the basis of lists drawn up by small business associations in the republics and autonomous provinces and by the republic and provincial bureaus of statistics--by applying the

criteria contained in Articles 6 and 7 of the Social Compact on the Bases of Joint Activity in Implementing the Policy of Faster Development of Small Business in the SFRY (SLUZBENI LIST SFRJ, No 57, 1980). On the basis of that list and the Methodology for Monitoring and Publication of Data on Small Business, which has been adopted by the Federal Executive Council, in September 1982 the Social Accounting Service of Yugoslavia for the first time published data on the small business segment of associated labor.

The result was that at the end of 1981 there were 2,516 organizations of associated labor in the small business sector (8.6 percent of the total number of OUR's [organization of associated labor]). Those organizations employed 198,501 workers (4.25 percent of all employees in economic OUR's).

OUR's in the Small Business Segment of Associated Labor at the End of 1981

<u>Republics and Autonomous Provinces</u>	<u>Number of OUR's</u>	<u>Number of Employees</u>
SFRY	2,516	198,501
Bosnia-Hercegovina	175	14,963
Montenegro	53	2,698
Croatia	629	44,307
Macedonia	368	36,264
Slovenia	421	27,202
Serbia	870	73,067
Serbia proper	556	48,537
Kosovo	34	2,528
Vojvodina	280	22,002

The largest number of work organizations in the small business sector are in the manufacturing and service crafts and trades (965), construction (713) and small-scale industry (669).

But that is only part of the small business sector--the part in the socialized sector. Our small business also includes about 200,000 private craftsmen and tradesmen, hostellers, merchants and common carriers and about 100,000 workers whom they employ. Craft and trade establishments engaged in production are the most common (about 120,000 proprietors and about 70,000 workers).

Small Initial Success

It would be hard to find initial success in the midst of these first figures. The most important goals and interests which hopefully will be achieved by developing small business have been stated--fuller and more efficient satisfaction of the demand of the economy and the public for certain products and services; fuller utilization of available natural conditions and the infrastructural and other facilities that have been built; more optimum use of sources of energy and raw materials in line with the particular region's development needs and specific features; growth of exports and reduction of imports, faster and fuller substitution of domestic products for imported products; creation of greater opportunities for employing the population and those

returning from employment abroad; creation of greater opportunities for development of small business in rural areas, which would mark a faster penetration of associated labor into rural areas and would reduce migration out of rural areas; achievement of more stable development of activities "which working people do on the basis of self-employment."... Incidentally, the principal goal and interest of those working in small business or starting up a small business are stable working conditions and the possibility of decent earnings.

As for that segment of small business in the socialized sector it can be said at this moment that it has been separated from the rest of the economy only in statistical terms and is still far (in its organization and other things) from that qualitative difference whereby, according to economic research which has been done in the world, an investment in a small business firm yields fourfold larger profit than the same investment in a medium-sized firm and 24-fold greater than in a large firm. Work to organize production aimed at substitution of certain imported articles is just beginning.

[Box, p 18]

Stevan Pavlovic, cabinetmaker with an establishment at 69 Ulica M. Gorkog, Belgrade:

"Varnishes and glue! Every other day I have to go to the stores for them, assuming I find them. And when I buy lumber, I pay a 32.9-percent turnover tax. I process the lumber, then when I sell the product, again I pay the turnover tax in the same proportion. That makes everything much more expensive. I am aware that the government must also have something to live on, but it would be good if the private and public sectors were on a par in this respect. After all, we are all equal when we work.

"There are occasions when I work for enterprises. I compete, and if I am more favorable, I get the job."

(Responses of private craftsmen and tradesmen in a poll conducted by the magazine MOJA KUCA of Belgrade)

In the private sector, viewed as a whole, between 1976 and the end of 1981 the number of self-employed persons increased at an annual average of only about 2 percent, and the number of workers they employ at about 6 percent a year. Altogether, this is very modest. Especially since the main increase is in hostelry, and then in trade (mainly poultry shops and small shops selling articles for households), and common carriers--whose business has been ruined by shortages and high prices of petroleum derivatives, so that people are already giving up this line of business.

There have also been closings of craft and trade establishments, however, considerably more than one might suspect from the general figures. In Serbia, for example, the number of craft and trade establishments dropped from 58,000 in 1971 to 49,000 in 1981, and between 1976 and 1981 alone the number of craft and trade establishments dropped 3 percent. In Montenegro the total number of

craft and trade establishments dropped 10 percent in those 5-6 years; in Kosovo the drop was 8 percent (it was even 23 percent for service craft and trade establishments), and in Vojvodina the number of establishments dropped 12 percent. The situation is most favorable in Slovenia, where over that period the number of craft and trade establishments rendering services increased 53 percent and those in manufacturing and the building trades increased 29 percent. In Macedonia the number of establishments is up 5 percent, and in Bosnia-Herzegovina it is down 1 percent, in Croatia up 4 percent.... But even here we do not see the complete picture. For example, it is in many regions in Croatia that there has been a drastic drop in the number of private craft and trade establishments (Bjelovar, Daruvar, Pakrac, Grubisno Polje, Varazdin ...).

In connection with closings of craft and trade establishments one must also bear in mind the ongoing process of the dying out of certain crafts and trades--from peasant sandalmakers to photographers, but many establishments and crafts intended for up-to-date services and activities are also closing. For example, many owners of large construction machines (dredges, cranes, rollers, large concrete mixers and the like) have fallen into difficulties and a lack of business because of the cutback in construction work. They include many who have returned from employment abroad and who invested their savings in those machines. Nevertheless, probably the greatest discouragement for private craftsmen and tradesmen is still coming from the opstina staff services and agencies, as well as from organizations in "big" business.

Under pressure of general policy over a period of many years many opstinas have given tax exemptions to private craftsmen and tradesmen who start up a business. Usually the establishment is exempted from tax in the first year, and in some places there is a partial exemption in the second year as well. However, when the exemption expires, the charges in the form of taxes and contributions begin to rise rapidly and quickly take the artisan to the brink of survival. Artisans have calculated that an initial investment of about 4 million dinars is necessary to open an average shop with 50 square meters of floor space. By and large only those who have worked a lengthy time abroad can have that much money (even if a credit intended for small business is obtained). And yet the destiny of the establishment remains very uncertain. The shortage of production materials and raw materials has affected craftsmen and tradesmen still more seriously than "big" business. This is yet another serious reason for shop closings or reduction of the number of workers employed and the number of trades. Whether they lack foreign exchange or they face difficulties and restrictions on import transactions (here again there is a deposit), the private craftsmen and tradesmen are having increasing difficulties finding ways of purchasing supplies and parts they need for their operation.

The artisans have approximately the same difficulties with what is called big business as they do with the opstina agencies. That is, one of the principal conditions for development of the crafts and trades and small business in general is establishment of organic ties with large work organizations in industry, tourism, agriculture and other sectors. The products and services of small operations are supposed to take over supplemental programs, to provide

substitutes for imported "trifles," whose production is unprofitable for large firms, to enrich the assortment of goods, parts and services and thus contribute to higher quality of production and better business operation by the big firms. The success of the best-known Japanese, French, American, West German and other world firms is based precisely on extensively organized cooperation with small specialized workshops. In our country there is still great resistance on the part of work organizations, mainly because of political prejudices of those employed in them. Workshops in the crafts and trades are still mostly looked upon as rudiments of the capitalist system that was overthrown and in general they are viewed as unreliable and unpromising operations.

Last month the results of a poll conducted by the Economic Chamber of Zagreb on the willingness of big business to collaborate with small business were published in ZANATSKI LIST [ARTISAN NEWSPAPER] of Zagreb. In all, 111 work organizations responded of the 950 which were sent questionnaires, and 63 of them declared that they have no need to cooperate with small business or independent operators--that they do not possess that kind of information. The result is rather discouraging from the mathematical and statistical standpoint. Nevertheless, 48 work organizations were seeking cooperation, and they immediately stated the products or services which they need to obtain from the "small fellows." The negative responses indicate among other things a lack of familiarity or at least a failure to understand the matter, since it is quite certain that every large industrial establishment necessarily collaborates with small business and uses its products and services. Many of our large enterprises purchase and install in their products a great number of parts manufactured by Italian, French or West German craftsmen and tradesmen, and they see no political hindrance to that. Least of all does it bother them that the foreign craftsmen and tradesmen earn good money doing this.

Who Is Undermining the System

The most solid obstacle to this development is still that society and policy shrink from growth of the private sector. Which, most likely, is where most of the other difficulties come from. It is evident from many responses from the large-scale economy that small business is actually equated with the private sector, and all this is immediately placed in the context of embezzlement, misuse of funds, bad experience with the former GG enterprises [small private partnerships], operation without a license and other criminal activity. Such a sharp line is drawn between the public and private sectors that work itself has taken on dual political attributes. In many heads privately organized work necessarily undermines socialism. And if that kind of work brings the private entrepreneur a material gain, it is assumed that the suspicions have been borne out with absolute proof.

The organization and development of small business in Pula Opština have, for example, been praised as a fine example and good result of the social action which has been undertaken. It has several hundred private establishments, five contract organizations of associated labor have been created, and another two are in preparation, and two craft and trade cooperatives have been organized.... According to the assessment at the last meeting of the Council of the Small Business Grouping, that part of small business which represents a

transformation of the previous private sector (by contrast with associated labor in the socialized sector) achieved the best results--both with respect to personal incomes (highest in the commune) and income per worker. However, in a meeting of the Presidium of the Pula Opstina Committee of the Croatian LC and during a discussion with a working group of the Croatian LC Central Committee, small business was mentioned in a different light. The chief of police in Pula, the president of the district public prosecutor's office, the president of the district court in Pula, and others said that in small business private interests have been protected, the tie-up between the public and private sectors was yielding only adverse results, and that it was an especially disturbing situation that the LC does not exist at all in small business, but that there are bribes and corruption, that small business is creating very wealthy people at the expense of associated labor.... The dissatisfaction has even been taken note of in "Uljanik," where it is said that the best craftsmen are leaving the work organization to take employment with private entrepreneurs--where they are appreciably better paid and there they do work for "Uljanik." The question was put as to how it is possible for an independent entrepreneur to advertise a public competition in which he offers electric welders a job and personal income amounting to 35,000 dinars?

[Boxes, p 20]

Petar Vukotic, sheet metal and locksmith shop at 15 Ulica Carice Milice, Belgrade:

"I worked 12 years in the public sector, where I was sent out on jobs. My ambition is to expand my activity, to do plumbing work as well, to employ several workers. However, I doubt that I will succeed if the present practice is continued. First of all, small business is an unequal position relative to the public sector. When I compete for a job, I lose even though I am cheaper--just because I am a private operator. Also there is no point or sense in a higher turnover tax being collected from us than from the public sector. We are a part of society, we do the same thing, just on a smaller scale. I collaborate with the cooperatives 'Feniks' and the construction cooperative 'Jugoslavija.' Our collaboration consists in my finding the job, I conclude the contract, and I go through them to get certification and for them to collect for the job, for which they collect a percentage.

"Then there is the question of the space I use. Since May the rent has gone from 400 to 2,000 dinars. Yet I redid and adapted everything at my own expense. What will happen if I should expand my business I really do not know...."

Igor Modic, goldsmith, 6 Trubarjeva, Ljubljana:

"Tax policy should be changed. One can hardly maintain a craft without incentives. I work 14 hours a day--the job demands it--and I earn as much as is set by law. Everything beyond that is taken from my cash drawer."

(Responses of private craftsmen and tradesmen in a poll conducted by the magazine MOJA KUCA of Belgrade)

This is just one example, but typical of a situation in which small business is displaying the efficiency economically inherent in it and which is actually being demanded of it. The misuse of funds must be prevented by efforts of internal control, the inspectorate and law enforcement agencies, and not by a general discrediting of private business. In the poll already mentioned the "Opatija" Shoe Factory in Zagreb, which is part of the work organization "Runa," made this response: "Society gives little incentive or encouragement to the development of the crafts and trades and services rendered by craftsmen. It is not a danger to society if people create an abundance of quality goods through their labor and also create a rich life for themselves from that. The dangerous situation is when the situation in society places these two in inverse proportion to one another." And it is a fact that it is far easier to say that the private entrepreneur who has become rich is undermining the socialist system than to say the same of the manager of a work organization who has brought about the ruin of a firm--and in so doing has himself become rich.

Influence of Dogmatism

In an interview with ZANATSKI LIST Cedo Grbic, president of the Croatian Cooperative Alliance, said: "The main thing I would like to prove is that as a society we are absolutely not taking enough advantage of the potential of the private sector and we have lost a great deal thanks to this unspoken negation of the private sector. Incidentally, all of our official plans count on the private sector--this sector is an item in the plan--but these plans have never been carried out. The main question is: Why? Why is the role of the private sector underestimated in our economic practice?

"What I advocate and what I would like to prove is certainly the fact that the private sector in our country has not been eliminated from economic practice out of thrift, but above all because of the strong influence of dogmatic attitudes and ideological resistance to that sector. That segment of the economy is still under the 'firm' control of ideology. We should go back a bit into the past. The dogma of the danger of small-scale commodity production to socialism was conceived after the October Revolution in the Soviet Union, and it is based on Lenin's well-known thesis that the private sector and small-scale commodity production are a danger to socialism, since every day they give rise to capitalism and corrupt the working class. In the first years after the revolution that dogma, in my opinion, did have a progressive role, but the bad thing is certainly the fact that that attitude has persisted and has been proclaimed a rule of behavior in the communist movement....

"We are witnesses," Grbic said during the conversation, "that even today there are two attitudes in the economy. One is more liberal, it supports the development of the private sector, of cooperation, and--I feel--that is the most progressive segment of the economy. But that attitude comes up against a strong ideological counterforce, also in the economy. These are those who want to preserve their petty monopoly and in a linkup with sociopolitical organizations they are very energetic in casting suspicion on the private sector for all the sins, for all the capitalisms. And, most important, they are very successful in creating a political climate that encourages the authorities to take corresponding measures to restrict development of the private sector.

And in politics, we must admit, there are serious differences of opinion, and, it is interesting, it is precisely in the political life of the underdeveloped communities that there are fiercer views and more resistance to the private sector than is the case in the industrially advanced communities....

"I would say that there is objectively that kind of atmosphere, a fear of capitalism, of capitulation. You see, the income earned by a successful entrepreneur or farmer as a rule is considerably greater than the income of a worker in the corresponding field in associated labor. After all, it is difficult for many people to realize that in the private sector there is objectively greater motivation, higher productivity, and, as a consequence, larger income. We still have leveling in the public sector, and some people rightly ask how the private entrepreneurs manage this? When comparisons are made, that kind of atmosphere is usually created; for example, if a private operator earns income that is two- or threefold greater than that of the president of the opstina or some director of an enterprise, then this is immediately proclaimed enrichment, enrichment not based on work, and after that pressure is applied as a rule, tax measures and other fiscal measures are used in an endeavor to reduce that difference and to cut back the income of that private operator. This is only one of the present social relations that exist and which is indeed hampering development of the private sector. Incidentally, today we easily proclaim everything capitalism as soon as someone has earnings a bit higher than others, even though he is not exploiting anyone and is not employing manpower. This is immediately regarded as a violation of socialist standards and the birth of capitalism."

It was in fact said at that meeting of the Presidium of the Federal Conference of the SANPY that the conservative attitude toward small business, which, incidentally, justifies itself with the fear of enrichment, has to be broken up very quickly.

Yet There Is Progress

Pressured more by business necessity than by an endeavor to develop small business, certain large industrial organizations are initiating cooperation with craftsmen and small plants. The "Store" Steel Mill, IMV [Motor Vehicle Industry--Novo Mesto], Elektronska Industrija in Nis, "Crvena Zastava" in Kragujevac, and several other work organizations have organized exhibitions of components of their products which they would be interested in having small business produce, since they largely import those components, and it does not pay them to set up their own production operation for them. Quite a few craftsmen have already come forth who feel that that job suits them and that they can successfully perform it in their own shops. But it will be possible to evaluate the success of these close meetings only later when the craftsmen have altogether mastered production, when that production begins to bring them the anticipated profit, and when the opstina authorities estimate how much the transactions concluded are "undermining the system."

If the ideological dilemmas and errors concerning work in the private and public sector are cleared up and the truth is accepted that all productive and efficient work is beneficial regardless of the "sector," it is probable that

there will be quite a considerable opening up of opportunities for larger and faster overall social development, opportunities which up to now have been stifled. For one thing there would be a freeing of potential inventive capabilities, initiative and capital of individuals, which would fill a great many of the gaps on the market and would create jobs. The Yugoslav Bureau for Labor Productivity and a group of specialists are preparing a detailed project entitled "One Thousand Small Business Programs"--with all the data and conditions for all opstinas in Serbia proper. It will involve consultations with more than 100 large OUR's. But it is precisely this kind of job of finding current business at any moment that can also be undertaken by individuals independently or in a jointly established bureau in which several economists, designers and technicians might come together.... An action is now under way in Belgrade to go back to apartment house superintendents. Is this not an occasion to establish several building maintenance centers offering services?

There is no question that there is an abundance of work, the large amount of work done by unlicensed servicemen is evidence of that; it is not only to avoid the payment of tax that it is not officially registered, but also that often we simply prevent this with regulations and individual attitudes.

7045

CSO: 2800/250

IMPLEMENTING 'UNIFIED CRITERIA' ON FOREIGN EXCHANGE USE

[Editorial Report] The 5 May 1983 issue of PRIVREDNI PREGLED (Belgrade, pages 1, 12) lists the meetings of all economic branches currently being held in the Economic Chamber (Privredna komora Jugoslavije) in connection with implementing the "Unified Criteria" (Jedinstvene Kriterije) to be applied to enterprises regarding foreign exchange earnings and use in 1983. The "Criteria" were published in SLUŽBENI LIST SFRJ of 15 April 1983 (Belgrade, No 19, pp 429-434), are based on Article 69a of the Law on Foreign Exchange Transactions and Credit Relations With Foreign Countries; they were enacted on 30 March 1983 by the Yugoslav Interest Community for Economic Relations with Foreign Countries, and became valid on 1 April 1983. PRIVREDNI PREGLED also publishes a special supplement entitled "Instructions for Applying the Unified Criteria."

An article in the 9 May 1983 issue of EKONOMSKA POLITIKA (Belgrade, page 21) points out that full application of the "Criteria"--"and thus the foreign exchange system in its most important regulations--will not take place until the second half of this year." Enterprises "will retain that amount of foreign exchange left to them after the 'needs' of sociopolitical communities [federation, republic, province, opstina] are met (up to 15 percent), after allocation for foreign exchange reserves are made (3 percent), and according to the division [of foreign exchange] agreed on by participants in the [economic] branches. But this will depend, above all, on how much foreign exchange there is, based on realistic possibilities [of earning it], export conditions, i.e., production."

CSO: 2800/289

BRIEFS

OIL IMPORTS, PRODUCTION--In the second quarter of this year it was planned to process 3.8 billion tons of crude oil, or about 300,000 tons more than processed in the first quarter of this year. But this plan is already in question, above all because it requires that imports from the convertible-currency area would be doubled: in the first quarter 900,000 tons were imported from this area, and in the second quarter it was planned to import 1,750,000 tons. As matters now stand in refineries, this will certainly not happen. The drastic fall in imports from the convertible-currency area in the first quarter was made up by increased imports from the USSR, but this will not be possible to prolong, so after imports of 1.6 million tons in the first quarter [from the USSR], imports from the clearing-account area would be reduced to 1 million tons in the second quarter. Domestic production should be increased [in the second quarter] by about 20,000 tons but it is questionable whether this will be achieved because of problems producers have in purchasing equipment and spare parts. In April 1.4 million tons of oil were planned to be processed, in May nearly 1.3 million tons, and in June a little more than 1.1 million tons. In addition to crude oil, about 360,000 tons of derivatives were planned for import in the second quarter of this year--most will be mazut (177,000 tons), propane-butane (nearly 62,000 tons), and diesel fuel (50,000 tons). [Text] [Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 18 Apr 83 p 29]

PRIVATE FARM INCOME--The Federal Bureau of Statistics is a year late in revealing the findings of its survey of average personal income and expenditures of private farms in 1981. About 3,000 "samples" of various categories indicate in that year an average money income of about 180,000 dinars (55.5 percent more than in the previous year). The farm's own income accounts for 43.5 percent of the total money income, which represents a 62.7-percent annual increase of that part of income, and the other 56.5 percent comes from off the farm. It is interesting to compare the finding that the average income of the "pure" [with only farm income] farm was lower than the average (about 168,000 dinars) and especially than the average for the "mixed" farms, i.e., those with at least one member receiving regular income from off the farm (about 201,000 dinars). More than half of the income of the latter (about 106,000 dinars) comes from employment and social welfare benefits. Averages usually cloud the picture, but it is certainly indicative that in the money outlays of the "pure" farms, which have risen 79.9 percent over the previous year, expenses of the farm itself constitute 41.3 percent, outlays to purchase and build dwellings 7.1 percent, while in the case of the "mixed" farms the former took 25.5 percent and the latter 8.3 percent of all expenditures. The difference has certainly revealed the status of the two groups in production and in the standard of living, and they also reveal the causes of the "pressure for new jobs." [Text] [Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 28 Mar 83 p 6] 7045

END OF

FICHE

DATE FILMED

June 1, 1983